11 July 2025

Reinsurance Trade Barriers and Market Access Issues Worldwide

Global Reinsurance Forum (GRF) – 11 July 2025

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I. Executive summary of the types of restrictive reinsurance measures applied by jurisdictions

Global Reinsurance Forum (GRF) members account for more than 65% of global net reinsurance premiums. The GRF believes that positive and significant economic benefits will result from the free global flow of risk through open and competitive reinsurance markets.

During the latest review, the GRF has identified 54 major territories, including regional groupings, which have implemented, are in the process of implementing or consider implementing, barriers to the transfer of risks through global reinsurance markets. Whilst some jurisdictions have been pursuing liberalisation of their reinsurance markets, it remains concerning to see that significant existing barriers still remain in place and new restrictions to the free flow of reinsurance are being established. Such barriers reduce competition leading to reduced customer choice, higher reinsurance costs and less capacity over the long-term horizon. These reinsurance trade barriers and market access issues include but are not limited to:

- Restrictions on the ability of reinsurers to freely conduct business on a cross-border basis, thus limiting the capacity of global reinsurers to spread risk globally and to prevent domestic concentrations of risk. Varying levels of restriction are witnessed or developing in Australia, Algeria, Argentina, Azerbaijan, Brazil, China, Colombia, Ecuador, Egypt, European Union, Germany, India, Indonesia, Malaysia, Nepal, Netherlands, New Zealand, Nigeria, the Philippines, Singapore, South Africa, South Korea, Tanzania, Thailand, Uganda, Vietnam, Zimbabwe as well as the groupings of other member countries of the African Union and the grouping of the Conférence Interafricaine des Marchés d'Assurances (CIMA). Additionally, countries, such as Chile, Dominican Republic, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Venezuela, and Rwanda operate a foreign reinsurer registration requirement or a requirement similar in nature.

- Requirements for reinsurers operating on a cross-border basis to collateralise or localise assets, preventing the global reinsurance market from transferring and spreading risk on the basis of a competitive, level playing field across borders. Such requirements exist or are evolving in jurisdictions including Argentina, Brazil, Canada, China, India, Israel, New Zealand, Portugal, Singapore, and the United States.

- Restrictions on foreign ownership of subsidiaries and other barriers to the establishment of branches, subsidiaries and operations. This restricts the ability of reinsurers to deliver their full economic benefit by providing local underwriting expertise and direct services to transfer risk out of domestic markets on an open and competitive basis. Such barriers are present or developing to varying extents in a number of jurisdictions including, but not limited to: Algeria, Argentina, Azerbaijan, Bangladesh, Brazil, Cambodia, China, Egypt, Ethiopia, India, Indonesia, Kenya, Malaysia, Moldova, Myanmar, Nigeria, Russia, Saudi Arabia, United Arab Emirates, Uganda, the United Kingdom, the United States, Zambia and Zimbabwe.

- The use of discriminatory and anti-competitive mechanisms such as compulsory cessions to domestic entities, systems of 'right of first refusal', and compulsory, subsidized or monopolistic governmental mechanisms limiting the competitive capacity of global reinsurers to operate on a level playing field. Such practices concentrate risk domestically, whilst limiting customer choice, and can be witnessed or are developing to varying degrees in the African Union, Algeria, Argentina, Bangladesh, Belarus, Bhutan, Brazil, Cambodia, China, Colombia, Ecuador, Egypt, Ethiopia, France, Gabon, India, Indonesia, Kenya, Malaysia, Mongolia, Myanmar, Namibia, Nepal, Nigeria, Pakistan, the Philippines, Russia, Saudi Arabia, Senegal, South Korea, Sri Lanka, Sudan, Tanzania, Uganda, Vietnam, Zambia and elsewhere.

II. Significant developments since the last edition of this document was published

Argentina: With effect from 23 December 2024, the PAIS tax (a withholding tax which applies to the purchase of foreign goods and services in a foreign currency), has been removed.

Brazil: In December 2024, the New Insurance Act Bill No.15.040 was approved by the Government of Brazil and will enter into force one year after its publication. The Act introduces a new tacit acceptance of reinsurance proposal and provides for the application of Brazilian law and jurisdiction to reinsurance disputes if such litigation affects the insurance cover. During the one-year transition period, reinsurers will need to adjust their operations to comply with the new Act and enabling regulations (including new deadline provisions for the adjustment and payment of claims).

India (1): From 1 April 2025, Indian cedants will be required to hold a minimum collateral of 75% for cross-border reinsurers (CBRs) with a credit rating of A- or above from Standard & Poor (or equivalent) and 100% collateral from CBRs with a credit rating below A-.

India (2): In February 2025, the Government announced its *intention* to further extend the foreign direct investment limits to 100%, subject to premiums being invested in India. This is not yet in force.

Foreign reinsurers registration requirements: Rwanda introduced a requirement for foreign reinsurers to obtain an accreditation to provide reinsurance in the country.

AFRICA & MIDDLE EAST

1. AFRICAN UNION

- **Is reinsurance permitted on a cross-border basis?**

  It depends on individual jurisdictions' rules.

- **Are there discriminatory requirements on cross-border foreign reinsurers for collateralisation or localisation of assets?**

  It depends on individual jurisdictions' rules.

- **Are there (i) any restrictions on foreign ownership of subsidiaries or (ii) any other discriminatory barriers affecting the establishment of branches or subsidiaries (if permitted)?**

  It depends on individual jurisdictions' rules.

- **Are there compulsory cessions, right of first refusal rules, or other trade barriers affecting foreign reinsurers, including examples of Government interference in risk pricing?**

  Yes. However, compulsory cession is only applicable to African Union members who are shareholders of Africa Re (41 member states) – they are required to offer 5% of each risk to Africa Re. For example, South Africa does not have the compulsory cession of 5%.

2. CONFÉRENCE INTERAFRICAINE DES MARCHÉS D'ASSURANCES (CIMA)

- **Is reinsurance permitted on a cross-border basis?**

  Yes. The CIMA Code only permits up to 50% of any reinsurance risk to be placed abroad. To reinsure more than 50% of a risk with unlicensed overseas reinsurers local regulatory approval must be secured. If it is not granted the remaining 50% must be reinsured locally or with a reinsurer established in another CIMA member state. The reinsurance of rail rolling stock, aircraft hull and marine or inland water hull, third party liability of aircraft and marine or inland vessels and offshore oil platforms are excluded from these rules. However, foreign reinsurers are excluded from writing accident, health, life and death, motor liability, land vehicles except for railway stock, goods in transit, capitalisation, tontines and unit-linked insurance.

- **Are there discriminatory requirements on cross-border foreign reinsurers for collateralisation or localisation of assets?**

  No.

- **Are there (i) any restrictions on foreign ownership of subsidiaries or (ii) any other discriminatory barriers affecting the establishment of branches or subsidiaries (if permitted)?**

  No.

- **Are there compulsory cessions, right of first refusal rules, or other trade barriers affecting foreign reinsurers, including examples of Government interference in risk pricing?**

  Yes.

  Yes. From 1 January 2021 CICA-RE's share of insurers' treaties increased from 10% to 20%. At the same time, its share of each and every risk (cession legale au premier franc), excluding health insurance (and savings-related life insurance) risks, reduced from 5% to 2.25%. In addition, CICA-RE now receives a 10% share of all facultative business, excluding oil, gas and aviation risks. Africa Re also receives a compulsory treaty cession of 5%.

3. ALGERIA

- **Is reinsurance permitted on a cross-border basis?**

  Yes, but cross-border reinsurers must have a credit rating of least “BBB”.

- **Are there discriminatory requirements on cross-border foreign reinsurers for collateralisation or localisation of assets?**

  No.

- **Are there (i) any restrictions on foreign ownership of subsidiaries or (ii) any other discriminatory barriers affecting the establishment of branches or subsidiaries (if permitted)?**

  Yes, there is a 49% limit on foreign equity ownership.

  In September 2024 the president instructed the insertion of a new clause into the draft *Insurance Bill*, specifying that all owners of insurance companies "should be present on Algerian soil". According to anecdotal evidence in the insurance market this does not imply exclusion of foreign shareholders in private sector insurers currently present in the market, but there may be some future licensing restrictions which have not yet been fully clarified.

- **Are there compulsory cessions, right of first refusal rules, or other trade barriers affecting foreign reinsurers, including examples of Government interference in risk pricing?**

  Yes. At least 50% of all local reinsurance cessions must be placed with the state reinsurer, CCR, under the mandatory cession arrangements currently in force. However, CCR is free to decline the compulsory cession as it sees fit, but this does not occur currently and has rarely happened in the past.

4. EGYPT

- **Is reinsurance permitted on a cross-border basis?**

  Yes, but all reinsurance must be placed with reinsurers approved by the regulator. Approved reinsurers must be awarded a minimum credit rating from one of the leading credit rating agencies, i.e. A M Best (B+), Standard & Poor's (BBB), Fitch (BBB) and Moody's (Baa), and subject to minimum capital requirements. The regulator may also permit an insurer access to a reinsurer not on its approved list subject to the reinsurer meeting certain criteria.

- **Are there discriminatory requirements on cross-border foreign reinsurers for collateralisation or localisation of assets?**

  No.

- **Are there (i) any restrictions on foreign ownership of subsidiaries or (ii) any other discriminatory barriers affecting the establishment of branches or subsidiaries (if permitted)?**

  Yes. Foreign branches are not allowed. No limit on the foreign ownership of Egyptian insurers, but no individual company or person can own more than 10% of an Egyptian insurer without the regulator's approval.

- **Are there compulsory cessions, right of first refusal rules, or other trade barriers affecting foreign reinsurers, including examples of Government interference in risk pricing?**

  Yes. Local insurance companies are required to cede a minimum of 5% of each reinsurance treaty to Africa Re. However, Africa Re is not obliged to accept all business.

  In addition, there is a limit on business that can be ceded to any one reinsurer and to reinsurers from any one country. A maximum of 25% and 30% of total non-life reinsurance business portfolio can be placed with one reinsurer and one legal group respectively, and the maximum limit increases to 65% and 75% for each individually when insurance companies are 50% or more owned (directly and/or indirectly) by the reinsurer.

5. ETHIOPIA

- **Is reinsurance permitted on a cross-border basis?**

  Yes. However, lead reinsurers must carry at least an A- and followers a BB rating from international rating bureaus.

- **Are there discriminatory requirements on cross-border foreign reinsurers for collateralisation or localisation of assets?**

  No.

- **Are there (i) any restrictions on foreign ownership of subsidiaries or (ii) any other discriminatory barriers affecting the establishment of branches or subsidiaries (if permitted)?**

  Yes. The prohibition on foreign ownership under *Article 10* of *Insurance Business Proclamation* was relaxed in January 2020 to allow foreign nationals of Ethiopian origin to invest in or open insurance businesses. Other foreign nationals continue to be prohibited from owning shares of or opening insurance businesses.

- **Are there compulsory cessions, right of first refusal rules, or other trade barriers affecting foreign reinsurers, including examples of Government interference in risk pricing?**

  Yes. The Manner and Criteria of Transacting Reinsurance Directive No SIB/44/2016 that came into force on 1 August 2016 imposed mandatory cession requirements for each reinsurance policy in Ethiopia.

  Effective 17 August 2020, Directive SIB/53/2020, Amendment to Manner and Criteria of Transacting Reinsurance repealed the above directive and restated its provisions relating to mandatory cessions and retentions, minimum rating requirements for cross-border reinsurers and the requirement for local capacity to be exhausted before overseas insurers are approached.

  Presently, there is a minimum 25% cession to a local reinsurer on all treaty cessions and 5% on each reinsurance policy. The local reinsurer also has the right of first refusal for all facultative placements.

  Finally, there is a 5% withholding tax on (re)insurance premiums paid to non-resident reinsurers.

6. GABON

- **Is reinsurance permitted on a cross-border basis?**

  Yes. However, *Regulation No 005/CIMA/PCMA/CE/2016*, which came into force on 1 June 2016, requires all foreign reinsurance cessions involving more than 50% of a risk domiciled in Gabon, to be submitted to the insurance supervisor for approval. Some classes of business (rail rolling stock, aircraft hull and marine or inland water hull, third party liability of aircraft and marine or inland vessels and offshore oil platforms) are exempt from this process and don't require regulatory approval.

- **Are there discriminatory requirements on cross-border foreign reinsurers for collateralisation or localisation of assets?**

  No.

- **Are there (i) any restrictions on foreign ownership of subsidiaries or (ii) any other discriminatory barriers affecting the establishment of branches or subsidiaries (if permitted)?**

  No.

- **Are there compulsory cessions, right of first refusal rules, or other trade barriers affecting foreign reinsurers, including examples of Government interference in risk pricing?**

  Yes. Local insurers are required to cede 15% of non-life premium and 5% of all treaty and facultative reinsurances to the state-owned reinsurer Société Commerciale Gabonaise de Réassurance (SCG - Re). In addition, there are also compulsory cessions in Gabon to Africa Re who receive a 5% share of all treaties.

7. KENYA

- **Is reinsurance permitted on a cross-border basis?**

  Yes, however treaty and facultative reinsurance business with unlicenced insurers must be approved by the regulator.

- **Are there discriminatory requirements on cross-border foreign reinsurers for collateralisation or localisation of assets?**

  No.

- **Are there (i) any restrictions on foreign ownership of subsidiaries or (ii) any other discriminatory barriers affecting the establishment of branches or subsidiaries (if permitted)?**

  Yes. A minimum of one-third of the equity of an insurance company is required to be held by Kenyans or citizens of East African Community countries.

- **Are there compulsory cessions, right of first refusal rules, or other trade barriers affecting foreign reinsurers, including examples of Government interference in risk pricing?**

  Yes. Local insurers are legally bound to offer compulsory cessions of at least 35%, legislated within insurance law. These are split between three reinsurance groups; state-owned Kenya Re 20%, followed by the regional reinsurance groups ZEP Reinsurance Co Ltd (ZEP-RE) 10% and Africa Re 5% of all their outward reinsurance treaties, both life and non-life.

  Additionally, all insurance premiums (except aircraft insurance premiums) payable to non-residents are subject to a 5% withholding tax. It has been clarified in the *Finance Act, 2019* that non-resident premiums subject to withholding tax include reinsurance premiums.

8. NAMIBIA

- **Is reinsurance permitted on a cross-border basis?**

  Yes.

- **Are there discriminatory requirements on cross-border foreign reinsurers for collateralisation or localisation of assets?**

  No.

- **Are there (i) any restrictions on foreign ownership of subsidiaries or (ii) any other discriminatory barriers affecting the establishment of branches or subsidiaries (if permitted)?**

  No, 100% foreign ownership is permissible, however the managing director and at least 50% of the board must be both citizens and residents of Namibia.

- **Are there compulsory cessions, right of first refusal rules, or other trade barriers affecting foreign reinsurers, including examples of Government interference in risk pricing?**

  Mandatory cessions to NamibRe came into effect on 1 July 2018, which comprise the following elements:

  - a 12.5% cession on all life and non -life insurance policies written or renewed in Namibia greater than NAD 100,000,
  - 20% of the value of each reinsurance contract placed by locally registered (re)insurers with domestic or international reinsurers, and
  - the first right of refusal to provide additional facultative cover on any reinsurance contract entered into by an insurer in Namibia.

  The majority of the largest Namibian insurers have instituted court proceedings to challenge the validity of the expanded mandatory cession rules that came into effect on 1 July 2018.

  The proceedings were settled by Court Order which requires that compulsory cessions will continue as currently until 31 March 2028, after which (a) the compulsory cession of 12.5% of insurance contracts greater than NAD 100,000 (USD 5,000 will cease and (b) the compulsory cession of reinsurance contracts will increase from the current 20% to 30% providing the necessary law is passed.

9. NIGERIA

- **Is reinsurance permitted on a cross-border basis?**

  No. There is no requirement for foreign reinsurers to register before they start operations in Nigeria. However, they must come through a local insurance broker. Permission to reinsure abroad can be sought from regulator. Specific guidelines state that no (re)insurance risk in the Nigerian oil and gas sector may be placed overseas without written approval of the regulator. Local capacity, which is the aggregate capacity (including treaty reinsurance) of all locally registered reinsurers must be fully exhausted.

- **Are there discriminatory requirements on cross-border foreign reinsurers for collateralisation or localisation of assets?**

  No.

- **Are there (i) any restrictions on foreign ownership of subsidiaries or (ii) any other discriminatory barriers affecting the establishment of branches or subsidiaries (if permitted)?**

  No. There are currently no restrictions on foreign investment in insurance companies which may be up to 100%.

- **Are there compulsory cessions, right of first refusal rules, or other trade barriers affecting foreign reinsurers, including examples of Government interference in risk pricing?**

  Yes. 5% of treaty programmes to Africa Re. Additional 5% of treaty programmes, excl. life and aviation, of member companies of the West African Insurance Companies Association must be placed with WAICA Re.

10. SAUDI ARABIA

- **Is reinsurance permitted on a cross-border basis?**

  Yes. However, business may only be ceded to reinsurers with minimum credit ratings as set by the Saudi Central Bank (SAMA) (including AM Best "B+", Fitch "BBB", Moody's "BAA", Standard and Poor's BBB).

- **Are there discriminatory requirements on cross-border foreign reinsurers for collateralisation or localisation of assets?**

  No.

- **Are there (i) any restrictions on foreign ownership of subsidiaries or (ii) any other discriminatory barriers affecting the establishment of branches or subsidiaries (if permitted)?**

  Yes. Locally incorporated (re)insurance companies are required to be listed on the Saudi Stock Exchange (Tadawul). Foreign ownership of such entities is limited as a matter of policy by (SAMA) and it is rare for approval to be granted for a foreign investor to own more than a 40% shareholding.

  On 17 December 2018, SAMA issued licensing and supervision rules for foreign insurers and reinsurers wishing to establish and operate a branch in the Kingdom, including capital adequacy and financial suitability for obtaining a licence.

  Any branch of a foreign company, prior to commencing insurance or reinsurance operations in Saudi Arabia is required to maintain a minimum capital of SAR100m for insurance and SAR 200m for reinsurance in the Kingdom. A percentage of this amount must be deposited with a licensed Saudi bank and is determined by the security rating which ranges from 10% for an "AAA"-rated company to a minimum of 40% for those less than "A"-rated.

  SAMA requires that directors and senior management roles of (re)insurance companies be Saudi nationals and exemptions to this requirement are subject to SAMA approval.

- **Are there compulsory cessions, right of first refusal rules, or other trade barriers affecting foreign reinsurers, including examples of Government interference in risk pricing?**

  Yes. Local ceding companies are required to retain at least 30% of their total insurance premium. Further to this, 30% of their total premium must be reinsured within Saudi Arabia. Such percentages are calculated based on the ceding insurers portfolio of business (as opposed to a per risk basis).

  Saudi insurance companies must offer at least 30% of each reinsurance treaty program and each reinsurance facultative risk to the local reinsurance market first.

  Reinsurance premiums ceded abroad are subject to a 5% withholding tax, as are fees and brokerage paid to non-resident companies.

11. <u>SENEGAL</u>

- **Is reinsurance permitted on a cross-border basis?**

  Yes. Foreign insurance cessions exceeding 50% of Senegal domiciled risks require regulatory approval from the local Insurance supervisor. The reinsurance of rail rolling stock, aircraft hull and marine or inland water hull, third party liability of aircraft and marine or inland vessels and offshore oil platforms is excluded from these rules. The ceding abroad of any risks relating to the following insurance classes is, however, prohibited: accident; health; land vehicles other than railway stock; motor liability; goods in transit; life/death; unit-linked; tontines and capitalisation.

- **Are there discriminatory requirements on cross-border foreign reinsurers for collateralisation or localisation of assets?**

  No.

- **Are there (i) any restrictions on foreign ownership of subsidiaries or (ii) any other discriminatory barriers affecting the establishment of branches or subsidiaries (if permitted)?**

  No.

- **Are there compulsory cessions, right of first refusal rules, or other trade barriers affecting foreign reinsurers, including examples of Government interference in risk pricing?**

  Yes. Local insurers face a compulsory cession of 10% of all facultative business (excluding oil, gas and aviation risks), 6.5% of direct premiums plus 15% of treaties to the state-owned reinsurer, SEN-Re.

  From 1 January 2021, CICA RE receives a compulsory share of 20% of insurers' treaties and 2.25% share of each and every risk, (excluding health insurance and savings-related life insurance risks). In addition, CICA-RE now receives a 10% share of all facultative business, excluding oil, gas and aviation risks. Africa Re also receives a compulsory treaty cession of 5%.

12. SOUTH AFRICA

- **Is reinsurance permitted on a cross-border basis?**

  Yes, but with significant restrictions. Foreign reinsurers may not actively seek business in South Africa, except through a local subsidiary or branch. South African cedants are permitted to purchase reinsurance from offshore reinsurers.

- **Are there discriminatory requirements on cross-border foreign reinsurers for collateralisation or localisation of assets?**

  No.

- **Are there (i) any restrictions on foreign ownership of subsidiaries or (ii) any other discriminatory barriers affecting the establishment of branches or subsidiaries (if permitted)?**

  No

- **Are there compulsory cessions, right of first refusal rules, or other trade barriers affecting foreign reinsurers, including examples of Government interference in risk pricing?**

  No.

13. SUDAN

- **Is reinsurance permitted on a cross-border basis?**

  Yes.

- **Are there discriminatory requirements on cross-border foreign reinsurers for collateralisation or localisation of assets?**

  No.

- **Are there (i) any restrictions on foreign ownership of subsidiaries or (ii) any other discriminatory barriers affecting the establishment of branches or subsidiaries (if permitted)?**

  No.

- **Are there compulsory cessions, right of first refusal rules, or other trade barriers affecting foreign reinsurers, including examples of Government interference in risk pricing?**

  Yes. Local insurers are required to cede 25% of their non-life treaty business to National Reinsurance Company (privatised in 2016). Local cedants must also offer a minimum of 25% of all the required non-life facultative reinsurance to National Reinsurance Company, which has the option of accepting or declining on a case-by-case basis. Africa Re benefits from a compulsory cession of 5% of all Sudanese reinsurance treaties. ZEP-RE currently benefits from a compulsory cession of 10% of all Sudanese reinsurance treaties.

14. TANZANIA

- **Is reinsurance permitted on a cross-border basis?**

  Yes. However overseas reinsurers and reinsurance brokers must be accredited by the Tanzanian regulator (TIRA) and pay annual accreditation levies (USD 10,000 for reinsurers and USD 5,000 for brokers). An insurer must approach the local market players and demonstrate to TIRA that it has done so using the necessary forms, before seeking to reinsure a risk overseas.

- **Are there discriminatory requirements on cross-border foreign reinsurers for collateralisation or localisation of assets?**

  No.

- **Are there (i) any restrictions on foreign ownership of subsidiaries or (ii) any other discriminatory barriers affecting the establishment of branches or subsidiaries (if permitted)?**

  Yes, Article 16 of the Insurance Act restricts foreign ownership to two-thirds of the company's capital.

- **Are there compulsory cessions, right of first refusal rules, or other trade barriers affecting foreign reinsurers, including examples of Government interference in risk pricing?**

  Yes. A policy cession of 10% of each policy written (life or non-life) and a treaty and facultative cession of 20% must be given to Tan-Re including on the underlying policies, Africa Re (5%) and PTA RE/ZEP-RE (10%). The mandatory cession limits to Tan-Re were extended indefinitely.

  Insurers should have a minimum retention of 5% of its shareholders fund for every risk it reinsures overseas. For each overseas facultative risk approved by TIRA, the insurer must pay a levy of 1.5% of the applicable gross premium (subject to a minimum of USD 200) plus the TIRA levy of 1.5% of gross premium. Additionally, a payment of 20% of any fronting fee or reinsurance commission in excess of 12%.

  Circular Letter No 055/2017 was issued on 1 January 2018 setting out new conditions for dealing with foreign reinsurers and reinsurance brokers, with the aim of reducing the volume of reinsurance business that is placed overseas. A revised version of the circular was released on 31 December 2018, largely retaining the provisions from the previous version with the key changes being as follows:

  (a) the amendment of the levy payable on foreign facultative placements and TIRA levy;
  (b) and quarterly treaty reinsurance statements submission to TIRA by all local insurers.

  Any resident/company paying an insurance premium to a non-resident person/company must withhold income tax from the payment at the rate of 5%. This applies to reinsurance premiums paid to a non-resident person/company.

15. <u>UGANDA</u>

- **Is reinsurance permitted on a cross-border basis?**

  Yes. However, from 1 October 2021, reinsurance can only be arranged with licensed or accredited reinsurers and reinsurance brokers, or with foreign reinsurers in which the government of Uganda has a stake. Foreign insurers' accreditation must be renewed annually (this doesn't apply to foreign reinsurers in which the government of Uganda has a stake).

- **Are there discriminatory requirements on cross-border foreign reinsurers for collateralisation or localisation of assets?**

  No.

- **Are there (i) any restrictions on foreign ownership of subsidiaries or (ii) any other discriminatory barriers affecting the establishment of branches or subsidiaries (if permitted)?**

  Yes. Branch offices of foreign (re)insurance companies must be incorporated in Uganda. There are no restrictions on foreign ownership.

- **Are there compulsory cessions, right of first refusal rules, or other trade barriers affecting foreign reinsurers, including examples of Government interference in risk pricing?**

  Yes. Companies are required to offer a minimum of 15% of all reinsurance cessions (treaty and facultative, life and non-life) to Uganda Re. Additionally, there are mandatory cessions of 5% to Africa Re and 10% to PTA Re. Whilst there is no requirement for such cessions to be accepted by the reinsurers, the regulator requires signed slips to evidence that the reinsurers declined to participate before the reinsurance can be placed elsewhere.

  Additionally, a resident paying a reinsurance premium to a non-resident must deduct a 10% withholding tax from the payment.

16. UNITED ARAB EMIRATES

- **Is reinsurance permitted on a cross-border basis?**

  Yes. However, business may only be ceded to reinsurers with minimum credit ratings (Standard and Poor's "BBB", Moody's “BAA”, AM Best “B+”, Fitch “BBB” or an equivalent rating from an internationally recognised rating agency). Reinsurance for takaful business may only be obtained from retakaful providers or from conventional reinsurers provided reinsurance is funded from their retakaful operations.

- **Are there discriminatory requirements on cross-border foreign reinsurers for collateralisation or localisation of assets?**

  No.

- **Are there (i) any restrictions on foreign ownership of subsidiaries or (ii) any other discriminatory barriers affecting the establishment of branches or subsidiaries (if permitted)?**

  Under Insurance Authority’s Board of Directors Decision No.(23) of 2019 Concerning Instructions Organizing Reinsurance Operations (published in May 2019), a branch of a foreign reinsurer is required to maintain a minimum capital of AED250m for reinsurance.

  Furthermore, 51% of the capital of the locally incorporated reinsurance companies must be owned by natural persons who are UAE or Gulf Cooperation Council (GCC) nationals or by legal entities which are wholly owned by UAE or GCC nationals.

- **Are there compulsory cessions, right of first refusal rules, or other trade barriers affecting foreign reinsurers, including examples of Government interference in risk pricing?**

  No.

17. ZAMBIA

- **Is reinsurance permitted on a cross-border basis?**

  Yes.

- **Are there discriminatory requirements on cross-border foreign reinsurers for collateralisation or localisation of assets?**

  No.

- **Are there (i) any restrictions on foreign ownership of subsidiaries or (ii) any other discriminatory barriers affecting the establishment of branches or subsidiaries (if permitted)?**

  Local companies are required to have a minimum of 30% of their subscribed share capital owned by Zambian citizens or citizen-owned companies.

- **Are there compulsory cessions, right of first refusal rules, or other trade barriers affecting foreign reinsurers, including examples of Government interference in risk pricing?**

  Yes, insurers must cede 10% of their reinsurance treaties to ZEP-RE and 5% to Africa Re.

  In addition, the Insurance Act no 38 of 2021 introduced the ability of the Minister to set thresholds for mandatory cessions to the National Reinsurance Company.. As at February 2025, thresholds have not yet been set.

18. ZIMBABWE

- **Is reinsurance permitted on a cross-border basis?**

  Yes, but reinsurance business can only be placed with locally registered reinsurance companies, unless approved by the regulator.

- **Are there discriminatory requirements on cross-border foreign reinsurers for collateralisation or localisation of assets?**

  No.

- **Are there (i) any restrictions on foreign ownership of subsidiaries or (ii) any other discriminatory barriers affecting the establishment of branches or subsidiaries (if permitted)?**

  Yes, Section 8 (b) (i) of the Insurance Act states that a body corporate with share capital must have a controlling interest held directly or indirectly by Zimbabwe citizens and permanent residents.

- **Are there compulsory cessions, right of first refusal rules, or other trade barriers affecting foreign reinsurers, including examples of Government interference in risk pricing?**

  No.

19. AUSTRALIA

- **Is reinsurance permitted on a cross-border basis?**

  Yes. Following the Australian Prudential Regulation Authority's ("APRA") consultation in 2022, reinsurance arrangements concluded with an unregistered life company or appropriate retrocessionaire will be subject to an aggregate limit, equal to the greater of (i) 12.5% of VAF and (ii) 62.5% of capital base. The relevant Prudential Standard (LPS 117) begun applying from 1 July 2023.. Offshore reinsurers that enter the domestic market and become an APRA-registered entity will not be subject to the aggregate limit.

- **Are there discriminatory requirements on cross-border foreign reinsurers for collateralisation or localisation of assets?**

  No.

- **Are there (i) any restrictions on foreign ownership of subsidiaries or (ii) any other discriminatory barriers affecting the establishment of branches or subsidiaries (if permitted)?**

  No.

- **Are there compulsory cessions, right of first refusal rules, or other trade barriers affecting foreign reinsurers, including examples of Government interference in risk pricing?**

  No.

20. AZERBAIJAN

- **Is reinsurance permitted on a cross-border basis?**

  Yes, but cross-border reinsurers must be registered locally as 'admitted' reinsurers.

- **Are there discriminatory requirements on cross-border foreign reinsurers for collateralisation or localisation of assets?**

  No.

- **Are there (i) any restrictions on foreign ownership of subsidiaries or (ii) any other discriminatory barriers affecting the establishment of branches or subsidiaries (if permitted)?**

  Yes. Foreign insurers may open representative offices, joint ventures and fully owned subsidiary insurance companies in Azerbaijan, but branch office establishments are not permitted.

- **Are there compulsory cessions, right of first refusal rules, or other trade barriers affecting foreign reinsurers, including examples of Government interference in risk pricing?**

  Yes. A regulation introduced in November 2023 provides that foreign reinsurers must meet a credit rating requirement and, for certain reinsurers, a minimum solvency ratio. Restrictions on proportional reinsurance cessions apply in respect of reinsurers that fall below certain credit ratings level.

21. BANGLADESH

- **Is reinsurance permitted on a cross-border basis?**

  Yes.

- **Are there discriminatory requirements on cross-border foreign reinsurers for collateralisation or localisation of assets?**

  No.

- **Are there (i) any restrictions on foreign ownership of subsidiaries or (ii) any other discriminatory barriers affecting the establishment of branches or subsidiaries (if permitted)?**

  Yes. The maximum shareholding allowed by a foreign person or entity in a domestic insurer is 60%.

- **Are there compulsory cessions, right of first refusal rules, or other trade barriers affecting foreign reinsurers, including examples of Government interference in risk pricing?**

  Yes. There is a compulsory cession of 50% of a direct insurer's business to be reinsured with the state-owned Sadharan Bima Corporation (SBC). The remaining 50% may be reinsured with either SBC or with any other insurer within or outside Bangladesh – subject to the approval of SBC.

22. BHUTAN

- **Is reinsurance permitted on a cross-border basis?**

  Yes.

- **Are there discriminatory requirements on cross-border foreign reinsurers for collateralisation or localisation of assets?**

  No.

- **Are there (i) any restrictions on foreign ownership of subsidiaries or (ii) any other discriminatory barriers affecting the establishment of branches or subsidiaries (if permitted)?**

  No.

- **Are there compulsory cessions, right of first refusal rules, or other trade barriers affecting foreign reinsurers, including examples of Government interference in risk pricing?**

  Yes. The reinsurance regulation mandates that 20% of every business underwritten by two insurance companies in Bhutan must be ceded to GIC-Bhutan Re Ltd.

23. CAMBODIA

- **Is reinsurance permitted on a cross-border basis?**

  Yes.

- **Are there discriminatory requirements on cross-border foreign reinsurers for collateralisation or localisation of assets?**

  No.

- **Are there (i) any restrictions on foreign ownership of subsidiaries or (ii) any other discriminatory barriers affecting the establishment of branches or subsidiaries (if permitted)?**

  Yes. Branches of foreign reinsurers are not allowed.

- **Are there compulsory cessions, right of first refusal rules, or other trade barriers affecting foreign reinsurers, including examples of Government interference in risk pricing?**

  Yes. A compulsory cession of 20% on all non-life insurance contracts must be ceded to the partially state-owned Cambodia Re subject to certain exclusions where no retrocession capacity is available, and its own gross capacity and underwriting criteria.

  All reinsurance agreements must obtain prior board approval, and approval from the Insurance Regulator of Cambodia, before execution. The Ministry of Economy and Finance also has the right to veto any company’s reinsurance arrangements and may insist on a minimum BBB- rating for reinsurers.

  There are restrictions in place in relation to how much business can be ceded to each individual foreign reinsurer.

24. CHINA

- **Is reinsurance permitted on a cross-border basis?**

  Yes. However, Chinese insurers face credit risk charges on all cessions, based upon solvency ratios and collateralised assets of the reinsurer. The charges applied in respect of offshore reinsurers are greater than those applied to onshore reinsurers. Foreign reinsurers that participate in reinsurance business within China must be registered with National Financial Regulatory Administration(NFRA), previously the China Banking and Insurance regulatory Commission (CBIRC). To successfully register, the reinsurer must meet various requirements including solvency standards and minimum credit ratings.

- **Are there discriminatory requirements on cross-border foreign reinsurers for collateralisation or localisation of assets?**

  Yes. Under C-ROSS Phase II (effective from 1 January 2022), in order to avoid a credit risk charge of 49.9% (Phase I previously 58.8%) for all cessions, offshore reinsurers will need to collateralise their reinsurance assets upon requirement from the ceding company (it is not mandatory). Doing so will lower the credit risk charge they face to 7.7% (Phase I previously 8.7%), assuming they meet the additional solvency requirement.

- **Are there (i) any restrictions on foreign ownership of subsidiaries or (ii) any other discriminatory barriers affecting the establishment of branches or subsidiaries (if permitted)?**

  Yes. In order to be considered for a branch, joint venture or subsidiary licence, foreign insurers must have total assets of at least USD 5bn; and meet other conditions which the NFRA deems prudently necessary.

  There is a minimum number of mandatory positions that a foreign insurance/ reinsurance entity in China must fulfil, which is considered high compared with other international jurisdictions. The NFRA has removed the requirement for the persons in these positions to take the qualification exam as of 1 February 2021. Qualification applications are now assessed through a review of the application and interviews with the candidate.

  The main issue affecting the applications for establishing foreign owned insurance/reinsurance operations in China is the discretionary timeframe by the regulator for admitting and processing the applications. This leads to a complete uncertainty regarding the time it would take for an application to be processed and approved from the moment the application materials are handed in. A process that in theory should not take more than a few months, according to the existing regulations, may in reality take several years.

- **Are there compulsory cessions, right of first refusal rules, or other trade barriers affecting foreign reinsurers, including examples of Government interference in risk pricing?**

  Yes. With the exception of aviation, aerospace, nuclear, oil and credit reinsurance contracts, the amount of proportional business ceded to any one reinsurer in respect of any one risk should not exceed 80% of the sum insured or liability limit of the direct insurance policy.

Data transfer restrictions

Foreign insurers with subsidiaries or branches in China face challenges due to data transfer restrictions. The Cyber Security Law of 2017 mandates data localization, complicating the use of offshore cloud services and requiring extensive legal checks and risk assessments. The Data Security Law of 2021 restricts cross-border transfers of "Important Data," while the Personal Information Protection Law imposes stringent requirements on critical infrastructure operators (CIIOs) and large-scale personal data processors. This generates a significant trade barrier for foreign companies, associated with required investments in local data centres and infrastructure and operational inefficiencies hindering their ability to centralize data management and analytics and forcing them to dual compliance with local and international data protection laws.

25. INDIA

- **Is reinsurance permitted on a cross-border basis?**

  Yes. However, the cross-border reinsurers need to be registered with the regulator and apply for a Filing Reference Number (FRN) through the Cross Border Reinsurer (CBR) portal. The application for FRN is to be made by any one local insurer and through upload of rating and financial documents of the cross-border reinsurer.

  An auto-renewal facility is available for three consecutive financial years following issuance of an FRN after which a fresh application must be submitted by the insurer through CBR portal.

- **Are there discriminatory requirements on cross-border foreign reinsurers for collateralisation or localisation of assets?**

  Yes.. IRDAI has issued notice (February 2024) that from 1 April 2025 (FY2025-2026), collateral requirements will come into effect. An Indian cedant will be required to hold a minimum collateral of 75% for CBRs with a credit rating of A- or above from Standard or Poor's (or equivalent) and 100% collateral from CBRs with a credit rating below A-. The collateral shall be either in the form of irrevocable Letter of Credit from the CBR or premium / funds withheld by the ceding insurer.

- **Are there (i) any restrictions on foreign ownership of subsidiaries or (ii) any other discriminatory barriers affecting the establishment of branches or subsidiaries (if permitted)?**

  Yes. The Insurance (Amendment) Act 2021, effective from 1 April 2021, and the Indian Insurance Companies (Foreign Investment) Amendment Rules 2021, effective from 19 May 2021, increased the maximum investment allowed in an Indian insurance company by foreign interests from 49% to 74% and set out the conditions for such investments.

  Additional requirements applicable for direct insurance companies in India include:

  - a company with foreign investors must have resident Indian citizens as a majority of its directors and senior managers;
  - at least one of the persons acting as chairman, CEO or managing director must be a resident Indian citizen;

  at least 50% of directors must be independent, unless the chairman is an independent director, when it will be permissible for that limit to be reduced to one-third.The Indian government in its 2025 Union Budget also announced the further increase of FDI sectoral cap for the insurance sector from 74% to 100%. This enhanced limit will be available for the companies which invest the entire premium in India. The Insurance Laws (Amendment) Bill, which proposes the 100% FDI limit and other reforms, is likely to be taken up in the monsoon session of Parliament starting from July 2025.

  IRDAI regulations require foreign reinsurance branches (FRBs) to hold a certain amount of capital locally at the time of registration and thereafter to maintain adequate solvency. In addition, FRBs are required to provide a letter of comfort from their parent entities that the parent would always meet all the liabilities of the branch. Even though this framework effectively guarantees that reinsurers have sufficient capital to meet their obligations at all times the Authority issued a Master circular on Reinsurance in

May 2024 which covers the various conditions for repatriation of surplus or profits generated by the operations of a branch of a foreign reinsurer and repatriation of funds or assigned capital other than surplus or profits generated by the operations of branch of Foreign reinsurer.

Indian regulations currently prevent foreign reinsurers doing business in India through license branches from reorganising their corporate structure. Specifically, it is currently not possible to transfer the portfolio of an existing entity to a new branch of another wholly-owned affiliate in the same group. This is not in line with international best practices and imposes additional challenges for FRBs.

- **Are there compulsory cessions, right of first refusal rules, or other trade barriers affecting foreign reinsurers, including examples of Government interference in risk pricing?**

Compulsory cession
Yes, 4% of each non-life policy must be ceded to the "Indian reinsurer", the General Insurance Corporation (except for terrorism and nuclear risk). For the period between 1 April 2025 and 31 March 2026, the obligatory cession will remain at 4%. No more than 10% of an Indian insurer's off-shore reinsurance premium (as a percentage of total off-shore reinsurance premium) can be placed with any single reinsurer that has a rating of BBB or BBB+, 15% with a foreign reinsurer with a rating higher than BBB+ and up to and including A+, and 20% with one that has a rating higher than A+. If an insurer wants to cede a larger proportion of the risk with a foreign reinsurer, it requires the regulator's specific approval. Indian life insurers must reinsure a percentage of the sum assured on each policy with domestic reinsurers. Compulsory cessions are included as provisions in the Insurance Act. However, there is currently no fixed % to be ceded.

Taxation
For tax purposes, foreign reinsurance branches are treated as “non-residents”, requiring them to pay a corporate tax of 35 (previously 40%) plus surcharge/education cess, whereas local players are subject to a tax rate of only 25% plus surcharge/education cess.

Order of Preference
The Order of Preference Regulations (applicable to non-life business only) create a tiered system whereby Indian insurers are required to cede business to reinsurers according to a prescribed order of preference. With effect from 1 January 2019, the Insurance Regulatory and Development Authority of India (Reinsurance) Regulations 2018 (IRDAI Reinsurance Regulations) confirms the enforcement of the Order of Preference Regulations and now refers to the order of preference itself as the “offer for participation”.

The regulations were amended in in 2023, IRDAI (Reinsurance) (Amendment) Regulations 2023, and will now class reinsurers domiciled in GIFT City as ‘Tier 2’ reinsurers, but only if they invest 100% of their retained premiums within India's domestic market. Despite the amendments, the below still applies.

The two steps involved are as follows:

Step 1: Obtaining best terms for cessions
Cedants shall seek terms from all Indian reinsurers who have been transacting reinsurance business in the past three years and at least from four Foreign

Reinsurer Branches. No cedant shall seek terms from International Financial Service Centre Insurance Offices having a credit rating below A- or Cross Border Reinsurers having a credit rating below A-. No cedant shall seek terms from any Indian insurer not registered with IRDAI to transact reinsurance business.

Step 2: Offer for Participation
Every cedant shall offer the best terms in the following order of preference: (a) Indian reinsurers (GIC Re); (b) to other Indian reinsurers and FRBs; (c) Insurance Offices which provide the best terms if not less than 10%; (d) CBRs that provide the best terms if not less than 10%; (e) other Insurance Offices; (f) other Indian insurers (facultative) and CBRs.

Compulsory retention
With effect from 1 January 2019, every Indian reinsurer shall maintain a minimum retention of 50% of its Indian business. Amendments to the Reinsurance Regulation 2018 provide that up to 20% of any retrocession to an IIO may contribute towards the required minimum retention of 50%.

Confirmation of participation on risk and receipt of premium
The IRDAI requires all Indian cedants to confirm that they have obtained confirmation of their participation on risk and receipt of premium from reinsurers. This requirement applies to reinsurers both onshore and offshore.

Many reinsurers, particularly those offshore, are concerned that this requirement is burdensome, particularly as premium declaration can be difficult to ascertain.

This requirement is now impacting the annual cross-border registration process, as reinsurers who have written Indian business for some time, may not be able to register as they have been unable to provide the required confirmations in all situations.

Data localisation
Currently IRDAI regulations and other acts require data to be localised on servers in India. For example, the Maintenance of Insurance Records Regulations 2025, which also applies to reinsures, requires insurers to maintain a record of every policy issued and a record of every claim made held in electronic mode in data centres located and maintained in India only. This generates a significant trade barrier for foreign companies, associated with required investments in local data centres and infrastructure and operational inefficiencies hindering their ability to centralize data management and analytics and forcing them to dual compliance with local and international data protection laws.

26. INDONESIA

- **Is reinsurance permitted on a cross-border basis?**

  Yes, however it is prohibited to place certain reinsurance business offshore (see compulsory cession section for further information). Foreign reinsurers must also have a minimum BBB or equivalent rating.

- **Are there discriminatory requirements on cross-border foreign reinsurers for collateralisation or localisation of assets?**

  No.

- **Are there (i) any restrictions on foreign ownership of subsidiaries or (ii) any other discriminatory barriers affecting the establishment of branches or subsidiaries (if permitted)?**

  Yes, branches of foreign insurers are not permitted and can only enter the Indonesian market if they enter a joint venture. Foreign insurers will still be capped to a maximum of 80% ownership within the joint venture. Only an incorporated company in Indonesia can apply for a licence to carry on business as an insurer. On 17 April 2018, the Indonesian Government issued the regulation GR14/2018 on Foreign Ownership of Insurance Companies. This confirms that there are no changes with caps on foreign ownership of 80%, including for reinsurance companies. For entities which have already exceeded the 80% foreign ownership cap at the time the Regulation came into force, they will not be required to meet the 80% cap.

- **Are there compulsory cessions, right of first refusal rules, or other trade barriers affecting foreign reinsurers, including examples of Government interference in risk pricing?**

  Yes. Previously, Indonesian insurers were required to place all “simple risks” with domestic reinsurers, namely Indonesia Re which was established by the Indonesian Government in 2015 to increase domestic reinsurance capacity. This includes all reinsurance of life, health, personal accident, motor, credit and suretyship business. The definition of “simple risk” lacks clarity on the scope and, especially with a view to new (re)insurance products, requires further clarification from the regulator.

  However, subject to approval by the Indonesia Financial Services Authority (OJK), there are three exceptions to the 100% local cession requirement for “simple risks”:

  - products specifically designed for multinational companies;
  - medical reimbursement products with global coverage;
  - new products developed by a foreign reinsurer. A new product designed by a foreign reinsurer can be reinsured with the foreign reinsurer for a maximum of four years, after which the new policies will be subject to the local cession rules.

  If the OJK grants an exemption, a maximum offshore cession of 75% may be permitted, with a minimum cession to domestic reinsurers of 25% (similar to “non-simple risks”)

  “Non-simple risks” and exempted “simple risks” must run through a tiered declinature procedure before they can be placed with foreign (re)insurers.

Regulation 39/POJK.05/2020 (dated June 2020) provided a gradual relaxation of the restrictions on “simple risks” reinsurance. From 31 December 2020, there is no set percentage of the simple risk that must be reinsured domestically. However, placements with overseas reinsurers can only be made if the reinsurer is located in a country which has a bilateral trade agreement with Indonesia covering reinsurance.

For other insurance business (“non-simple risks”), a reform similar to the one for “simple risks” under Regulation 39/POJK.05/2020,has likewise relaxed requirements . From 31 December 2022, there is no set percentage of “non-simple risks” that must be reinsured domestically. As with for “simple risks”, placements with overseas reinsurers can only be made if the reinsurer is located in a country which has a bilateral trade agreement with Indonesia covering reinsurance.

Offshore data centres

The extent to which allocation of (personal) data of policyholders can be stored in off-shore data centres requires further clarification from the regulator. POJK No.38/2020 is currently silent on whether such data regulated under Clause 50 of POJK No.69/2016 (e.g. citizenship information) can be stored in the offshore data centre and disaster data centre.

27. ISRAEL

- **Is reinsurance permitted on a cross-border basis?**

  Yes.

- **Are there discriminatory requirements on cross-border foreign reinsurers for collateralisation or localisation of assets?**

  Yes. Foreign reinsurers are required to deposit collateral for proportional treaty reinsurance transactions. The level of the deposit is calculated according to various criteria, including the reinsurer's rating and the class of business. There is no such requirement for non-proportional treaties.

- **Are there (i) any restrictions on foreign ownership of subsidiaries or (ii) any other discriminatory barriers affecting the establishment of branches or subsidiaries (if permitted)?**

  No.

- **Are there compulsory cessions, right of first refusal rules, or other trade barriers affecting foreign reinsurers, including examples of Government interference in risk pricing?**

  No.

28. MALAYSIA

- **Is reinsurance permitted on a cross-border basis?**

  Yes. However, there is a tiered system of reinsurance. Bank Negara requires all local direct insurers to cede business first to local reinsurers (first tier) and then to Labuan-based reinsurers (second tier). Only after these two options have been exhausted may business be offered to 'offshore' or third tier reinsurers.

- **Are there discriminatory requirements on cross-border foreign reinsurers for collateralisation or localisation of assets?**

  No.

- **Are there (i) any restrictions on foreign ownership of subsidiaries or (ii) any other discriminatory barriers affecting the establishment of branches or subsidiaries (if permitted)?**

  Yes, there is a 70% limit on foreign equity ownership.

- **Are there compulsory cessions, right of first refusal rules, or other trade barriers affecting foreign reinsurers, including examples of Government interference in risk pricing?**

  Yes. The following requirements apply:

  (a) Mandatory “voluntary” cessions to Malaysia Re for treaty and facultative business are required on a quota share basis for direct insurers at 2.5% for all classes;

  (b) Malaysian Re must be offered up to 15% for both proportional and non-proportional treaty reinsurance;

  (c) for facultative and engineering reinsurance Malaysian Re must be offered up to 15% or MYR 5mn on a total sum insured basis, the PML monetary limit being MYR 1.5mn;

  (d) for retrocession, 20% must be offered by Malaysian Re to licensed direct insurers in Malaysia, for treaty and facultative business. Individual companies can choose to accept this or not.

  These cessions to Malaysia Re must occur before the risk enters the tiered system (as referred to above).

  In 2024, the Bank Negara issued an Exposure Draft on Risk-Based Capital Framework for Insurers and Takaful Operators. which, among other proposals, suggested that reinsurance recoveries less deposits will not be recognised as Tier 1 and Tier 2 Capital if the reinsurer is not regulated by the Bank Negara or the Labuan Financial Services Authority.

29. MONGOLIA

- **Is reinsurance permitted on a cross-border basis?**

  Yes.

- **Are there discriminatory requirements on cross-border foreign reinsurers for collateralisation or localisation of assets?**

  No.

- **Are there (i) any restrictions on foreign ownership of subsidiaries or (ii) any other discriminatory barriers affecting the establishment of branches or subsidiaries (if permitted)?**

  No.

- **Are there compulsory cessions, right of first refusal rules, or other trade barriers affecting foreign reinsurers, including examples of Government interference in risk pricing?**

  Amendments to the Law on Insurance of 30 April 2004 have been discussed and a draft law prepared for further consideration by parliament. The amendments are expected to introduce, inter alia, a compulsory 10% cession of all reinsurance business to Mongolian Re, the state-owned reinsurer.

30. MYANMAR

- **Is reinsurance permitted on a cross-border basis?**

Yes. Effective from 1 October 2020, local insurers can reinsure directly to the foreign market.

Foreign reinsurers or cross-border reinsurers who do not have a license to conduct insurance business in Myanmar are also permitted, subject to the following conditions:

a) They must have been licensed as a reinsurer in their home country for at least the past three continuous years;

b) They must have a credit rating of at least BBB from S&P or equivalent for at least the past three continuous years;

c) They must have maintained a minimum solvency margin or capital adequacy as specified by their home country regulator for at least the past three continuous years;

d) Their past claims settlement must be satisfactory to the local regulator; and

e) They must comply with other requirements that may be stipulated by the local regulator.

Furthermore, placements with cross border reinsurers by the cedants conducting insurance activities (other than life insurance) shall be subject to the following overall cession limits during a financial year:

a) Greater than A+ - 50% maximum cession
b) Greater than BBB+ and up to and including A+ - 40% maximum cession
c) BBB & BBB+ - 20% maximum cession.

No placement exceeding these limits shall be made without prior approval from the local regulator.

- **Are there discriminatory requirements on cross-border foreign reinsurers for collateralisation or localisation of assets?**

No.

- **Are there (i) any restrictions on foreign ownership of subsidiaries or (ii) any other discriminatory barriers affecting the establishment of branches or subsidiaries (if permitted)?**

Yes, currently foreign companies are allowed to do business only from a special economic zone.

Starting 2019, the local regulator granted insurance business licences to conduct life insurance business to five 100% foreign owned life insurance companies. Furthermore, three foreign based general insurance companies and three foreign based life insurance companies were also recently allowed to form joint venture insurance companies with local insurers. Foreign participation is allowed up to 35% in accordance with the "foreign company" thresholds pursuant to the Myanmar Companies Law 2017 (MCL 2017).

- **Are there compulsory cessions, right of first refusal rules, or other trade barriers affecting foreign reinsurers, including examples of Government interference in risk pricing?**

  Yes, the cedant must cede a compulsory maximum of 10% of any insurance segment business to Myanma Insurance (the state-owned insurance company).
  Myanma Insurance is free to reject or accept (either wholly or in part) the cession and will presumably be able to impose upon it such terms as it sees fit. Only if Myanma Insurance fails to offer such reinsurance is the insurer free to obtain cross border reinsurance from a foreign reinsurer for that original 10%.

  Likewise, other than for life insurance, insurers must offer the best terms obtained to reinsurers in the following order:

  i. Myanma Insurance;
  ii. Myanmar reinsurers or foreign reinsurers licensed and with representative offices in Myanmar; and
  iii. Foreign reinsurers.

  Insurers are obliged to follow this order of priority only if the terms offered are equalled (or bettered).

31. NEPAL

- **Is reinsurance permitted on a cross-border basis?**

  Yes. However, Reinsurance Directive 2080 (2023) states that, from 22 May 2023, foreign reinsurers and reinsurance brokers who wish to provide reinsurance services to domestic insurers, must enrol with the Nepal Insurance Authority (NIA).

- **Are there discriminatory requirements on cross-border foreign reinsurers for collateralisation or localisation of assets?**

  No.

- **Are there (i) any restrictions on foreign ownership of subsidiaries or (ii) any other discriminatory barriers affecting the establishment of branches or subsidiaries (if permitted)?**

  No.

- **Are there compulsory cessions, right of first refusal rules, or other trade barriers affecting foreign reinsurers, including examples of Government interference in risk pricing?**

  The Nepal Insurance Authority, requires insurers to make cessions to Nepal Re. This excludes aviation, riot and terrorism, health, trekking and travel insurance. In relation to treaty reinsurance:

  - Local insurers must make compulsory cessions of 20% to Nepal Re and Himalayan Re, both of which will receive an equal split of 10%.
  - The compulsory cession of 20% shall be reduced by 2% annually for each local reinsurer (i.e. 4% total per annum). The compulsory cession shall therefore be reduced to 0% by July 2027.
  - Following the first compulsory cession, both Nepal Re and Himalayan Re shall receive cessions of 15% each of the remaining risk.

  Following Circular Bi. Sa. 126 (078/079) C.N. 2022, facultative reinsurance business and the remainder of treaty reinsurance business following compulsory cessions (with the exception of direct cession business) must be first offered to the domestic market. If the domestic market does not accept the business, it can be written outside of Nepal on a cross-border basis. Any such polices will need evidence that the domestic market did not accept the business, and the cedent will need to present this to the NIA in Nepal first.

  Certain classes of business must be reinsured entirely by domestic reinsurers; these classes being motor, agriculture and livestock, riot and terrorism, travel and trekking, health and life.

32. NEW ZEALAND

- **Is reinsurance permitted on a cross-border basis?**

  Yes. However, the Reserve Bank of New Zealand ("the RBNZ") is undertaking an ongoing review of the Insurance (Prudential Supervision) Act 2010 ("IPSA"). The RBNZ previously consulted on changing the definition of carrying on business in New Zealand, which would have caused a tightening of the rules on cross-border reinsurance. The RBNZ noted two overlapping issues regarding the definition of carrying on business in New Zealand: one about certainty of definition and another about appropriate limits to the scope of cross-border provision of insurance by foreign entities not licensed under IPSA.

  Under the latest consultation released in 2023, the RBNZ stated that its current view is that it would be more efficient to concentrate on its oversight of how insurers are managing their own reinsurance programmes than it is for it to directly supervise reinsurance branches. It is currently proposing amendments to the legislation so that overseas entities that only provide reinsurance do not need to be licenced in New Zealand.

  There were no further significant developments on this issue in 2024. We await the introduction of the new IPSA Bill, which is expected in 2026.

- **Are there discriminatory requirements on cross-border foreign reinsurers for collateralisation or localisation of assets?**

  No. However, public consultations held in 2021 and 2023 included a discussion on introducing mandatory assets in New Zealand for overseas branches.

- **Are there (i) any restrictions on foreign ownership of subsidiaries or (ii) any other discriminatory barriers affecting the establishment of branches or subsidiaries (if permitted)?**

  No.

- **Are there compulsory cessions, right of first refusal rules, or other trade barriers affecting foreign reinsurers, including examples of Government interference in risk pricing?**

  No.

33. PAKISTAN

- **Is reinsurance permitted on a cross-border basis?**

  Yes.

- **Are there discriminatory requirements on cross-border foreign reinsurers for collateralisation or localisation of assets?**

  No.

- **Are there (i) any restrictions on foreign ownership of subsidiaries or (ii) any other discriminatory barriers affecting the establishment of branches or subsidiaries (if permitted)?**

  No.

- **Are there compulsory cessions, right of first refusal rules, or other trade barriers affecting foreign reinsurers, including examples of Government interference in risk pricing?**

  Yes. There is a system of mandatory cessions and a right of first refusal by the state-owned Pakistan Reinsurance Company Limited (PRCL or Pak Re) and by the local market. On treaty contracts, insurers are obliged to offer Pak Re up to 35% of their non-life treaty business, which it can choose to accept or not. Facultative business must be offered to Pak Re on a first refusal basis, which it may accept or not without limit at its discretion. A certificate of no-objection must also be obtained from the regulator before a risk is offered to overseas reinsurers. In order to obtain this the ceding company must produce evidence of declinatures from the local market.

  In March 2023 *Circular No 02/2023 – Amendments in the Circular 24/2010 – Reinsurance or Retakaful Treaty Arrangements – 2011* was issued, amending the requirements concerning reinsurance placement with foreign reinsurers. The Circular stated that when non-life insurers and takaful operators renew their treaty arrangements with foreign reinsurers or re-takaful operators for 2023, they should ensure:

  - At least 60% of the total reinsurance or re-takaful treaty arrangement must be placed with foreign reinsurers or re-takaful operators having a rating of at least “A” or above by Standard & Poor’s (or equivalent)
  - Maximum 40% of the total reinsurance or re-takaful treaty arrangement to be placed with foreign reinsurers or re-takaful operators having a rating of at least “BBB” or above by Standard & Poor’s (or equivalent)
  - Maximum 10% of the total reinsurance treaty arrangement and maximum 20% re-takaful treaty arrangement to be placed with foreign reinsurers or re-takaful operators having a rating of at least “B” or above by Standard & Poor’s (or equivalent)
  - No reinsurance or re-takaful treaty arrangement to be placed with foreign reinsurers or re-takaful operators having a rating of “B” or below by Standard & Poor’s (or equivalent)

  Initially, these requirements applied in 2023 only. However, they were extended to apply in 2024 (it is not clear whether they apply beyond 2024).

However, in September 2024, it was reported that the Competition Commission of Pakistan (CCP) proposed opening up of the reinsurance market in Pakistan and revising the Insurance Rules 2017 to provide insurers freedom to choose between domestic and foreign reinsurers.

34. PHILIPPINES

- **Is reinsurance permitted on a cross-border basis?**

  Yes, however, section 223 of the Insurance Code prohibits an insurance company which is doing business in the Philippines from ceding any risks situated in the Philippines by way of reinsurance directly to a foreign insurer not authorised to do business in the Philippines, unless that foreign insurer is represented in the Philippines by a resident agent who is registered with the Insurance Commissioner.

  The resident agent must register the reinsurance interests with the regulator annually and supply the regulator with annual statements relating to the reinsurers they represent.

- **Are there discriminatory requirements on cross-border foreign reinsurers for collateralisation or localisation of assets?**

  No.

- **Are there (i) any restrictions on foreign ownership of subsidiaries or (ii) any other discriminatory barriers affecting the establishment of branches or subsidiaries (if permitted)?**

  No.

- **Are there compulsory cessions, right of first refusal rules, or other trade barriers affecting foreign reinsurers, including examples of Government interference in risk pricing?**

  Yes. There is a mandatory cession of 10% of every outward reinsurance treaty and facultative placement to the National Reinsurance Corporation of the Philippines the state-owned reinsurer.

  All insurance companies, both life and non-life, authorised to do business in the Philippines are required to cede their risks to other companies similarly authorised to do business in the Philippines in such amounts and under such arrangements as would be consistent with sound underwriting practices before they enter into reinsurance arrangements with unauthorised foreign insurers.

  For marine hull, aviation, money, securities, payroll and robbery risks on a facultative reinsurance placement, cedants/reinsurers must have unsuccessfully attempted to place the risk with at least two local direct companies, one foreign authorised company and one domestic professional reinsurer before the regulator will grant them permission to approach an unauthorised foreign company.

  For all other facultative placements, at least five local direct underwriting companies, three foreign authorised companies and one domestic professional reinsurer must have been approached. Declinature letters submitted to the regulator must include the specific reason(s) why the company declined to write the business.

35. SINGAPORE

- **Is reinsurance permitted on a cross-border basis?**

  Yes, but ceding companies using a reinsurer without a local, physical presence will be penalised by higher RBC charges.

- **Are there discriminatory requirements on cross-border foreign reinsurers for collateralisation or localisation of assets?**

  Yes. Under Singapore's Insurance (Authorised Reinsurers) Regulations 2003, authorised reinsurers are required to maintain a minimum deposit of SGD2 million.

  Furthermore, no later than 7 months after the end of each financial year, authorised reinsurers must make and maintain additional deposits, if any, as are necessary to secure that the aggregate value of its initial deposit is maintained at a minimum of SGD2 million, 30% of gross premiums or 30% of gross liabilities in respect of cross - border reinsurance, whichever is greater.

- **Are there (i) any restrictions on foreign ownership of subsidiaries or (ii) any other discriminatory barriers affecting the establishment of branches or subsidiaries (if permitted)?**

  No.

- **Are there compulsory cessions, right of first refusal rules, or other trade barriers affecting foreign reinsurers, including examples of Government interference in risk pricing?**

  No.

36. SOUTH KOREA

- **Is reinsurance permitted on a cross-border basis?**

  Yes, but South Korean insurance companies are prohibited from engaging in face-to-face meetings, including all marketing activities, with unlicensed foreign reinsurers in South Korea unless a broker is present. Foreign reinsurers may only contact South Korean cedants by means of mail, telephone, fax, video conference or the internet. There is legal uncertainty, however, as to whether this prohibition has the status of law or only of supervisory guidance. Although the regulation containing the prohibition has been downgraded to a '*non-binding guideline'* and is no longer enforced in practice, the regulation technically remains in force.

- **Are there discriminatory requirements on cross-border foreign reinsurers for collateralisation or localisation of assets?**

  No.

- **Are there (i) any restrictions on foreign ownership of subsidiaries or (ii) any other discriminatory barriers affecting the establishment of branches or subsidiaries (if permitted)?**

  No.

- **Are there compulsory cessions, right of first refusal rules, or other trade barriers affecting foreign reinsurers, including examples of Government interference in risk pricing?**

  With effect from 1 January 2019, insurers are required to hold a minimum retention of 10% of every short-term non-life insurance contract. The requirement does not apply to motor policies, retrocession business, or to larger or unusual risks which the insurer's risk committee agrees would not be possible to retain. The minimum retention is interpreted to mean 10% of the policy premium, not 10% of the policy limit or sum insured.

37. SRI LANKA

- **Is reinsurance permitted on a cross-border basis?**

  Yes. The foreign reinsurer must also have long term ratings of at least “BBB” with Standard & Poor’s or Moody’s, B+ with AM Best or “Baa3” with Fitch. If insurers want to place reinsurance with a related reinsurer, the reinsurer must have a security rating of at least A from any of the 4 main ratings agencies.

- **Are there discriminatory requirements on cross-border foreign reinsurers for collateralisation or localisation of assets?**

  No.

- **Are there (i) any restrictions on foreign ownership of subsidiaries or (ii) any other discriminatory barriers affecting the establishment of branches or subsidiaries (if permitted)?**

  No.

- **Are there compulsory cessions, right of first refusal rules, or other trade barriers affecting foreign reinsurers, including examples of Government interference in risk pricing?**

  Yes. There is a mandatory 30% cession of non-life reinsurance to state owned insurance and reinsurance company, the National Insurance Trust Fund (NITF). A broad range of classes of facultative reinsurance are exempt from this requirement.

38. THAILAND

- **Is reinsurance permitted on a cross-border basis?**

Yes. However, the credit risk charges in RBC calculation do not apply to local reinsurers (e.g. Thai Re or other local insurers writing reinsurance inwards). This gives domestic insurance companies incentive to place business locally.

Under the Rules, Methods, Conditions for Reinsurance of Non-Life Insurers BE 2566 (effective from 27 June 2023) there are no restrictions on using foreign reinsurers which are rated A- or above by Standard & Poor's (or the equivalent rating from AM Best, Fitch or Moody's). But for reinsurers rated BBB+ to BBB- (or equivalent), placements are limited to 50%.

- **Are there discriminatory requirements on cross-border foreign reinsurers for collateralisation or localisation of assets?**

No.

- **Are there (i) any restrictions on foreign ownership of subsidiaries or (ii) any other discriminatory barriers affecting the establishment of branches or subsidiaries (if permitted)?**

Yes.The Office of the Insurance Commission (OIC) can permit up to 49% foreign ownership and can permit foreign directors to comprise more than one out of four directors, but less than half of the total number of directors. However, a licensed insurance company may apply to the Finance Minister for permission to have 50% or more (and up to 100%) foreign shareholding, and for foreign directors to comprise more than half of the directors on its board.

In December 2024, the Ministry of Finance (MOF), issued a notification providing clearer criteria for the granting of permission to exceed the limits (as described above).To qualify, foreign shareholders must:

- Either be an insurance company or have at least 10 years of relevant experience in the insurance industry;
- Demonstrate financial stability and possess a credit rating (or have a parent company with a credit rating) of at least "A" from a reputable credit rating agency;
- Present a clear and comprehensive business plan to develop and promote the company's efficiency and competitiveness in the industry; and
- Be able to make an investment that increases the company's capital by at least THB 2 billion to maintain stability with a CAR of at least 250%.

- **Are there compulsory cessions, right of first refusal rules, or other trade barriers affecting foreign reinsurers, including examples of Government interference in risk pricing?**

No. The compulsory cession to Thai Re is no longer applicable

39. VIETNAM

- **Is reinsurance permitted on a cross-border basis?**

Yes, although the Vietnamese regulator has introduced requirements regarding local retention limits. All foreign reinsurers accepting 10% or more under a reinsurance contract must be rated at least “BBB” by Standard and Poor’s or Fitch, “B++” by AM Best, “Baa1” by Moody’s or equivalent in the prior financial year. If reinsurance is ceded to an overseas parent companies or to companies within the same group that have no credit rating, written confirmation of the foreign reinsurer’s solvency in the previous financial year from the company’s regulator must be provided to the Vietnamese regulator.

- **Are there discriminatory requirements on cross-border foreign reinsurers for collateralisation or localisation of assets?**

No.

- **Are there (i) any restrictions on foreign ownership of subsidiaries or (ii) any other discriminatory barriers affecting the establishment of branches or subsidiaries (if permitted)?**

No.

- **Are there compulsory cessions, right of first refusal rules, or other trade barriers affecting foreign reinsurers, including examples of Government interference in risk pricing?**

In order to reduce reliance on foreign reinsurers, where an insured risk is ceded at the request of the insured, insurers are prohibited from reinsuring more than 90% of its total insurance liability. However, there is nothing in the law providing for application for special permission from the regulator for a local insurance buyer or intermediary to place an insurance directly in a foreign market where a product is not available from the local insurance market or where there is no capacity to accommodate a particular insurance in the local market.

Data localisation
The Government of Vietnam, through the Ministry of Public Security (MPS), has adopted a comprehensive legal framework for data management and protection, encompassing the recently enacted Data Law (No. 2025/QH15), related governmental decrees, and ministerial decisions. This framework addresses multiple critical aspects, including data localization requirements, licensing and operational regulations for data service providers, cross-border data transfer controls, and the governance of data protection authorities. The entire framework is set to take effect on July 1, 2025.

Under this new regime, foreign reinsurers and other foreign entities processing Vietnamese data will face significant restrictions on their ability to freely receive, transfer, and store personal and other regulated data outside Vietnam. Specifically, the framework imposes rigorous requirements such as conducting detailed impact assessments, submitting reports to the Ministry of Public Security, and obtaining prior approvals for cross-border transfers of “core” and “important” data categories. These categories are defined based on their potential impact on national security, public interest, and the rights of data subjects, with the Prime Minister and MPS overseeing approvals and security assessments.

Additionally, data localization obligations may be triggered for foreign companies, including reinsurers, particularly if their services are found to be used in violation of cybersecurity laws or national security concerns. In such cases, they may be required to store regulated data within Vietnam and establish a local branch or representative office, thereby increasing operational costs and complexity.

These stringent controls create substantial trade and operational barriers for foreign companies. They necessitate significant investments in local data centre infrastructure and can lead to inefficiencies by preventing centralized global data management and analytics. Furthermore, foreign reinsurers must navigate dual compliance challenges, adhering simultaneously to Vietnam's evolving data protection laws and their home countries' international data protection standards.

40. BELARUS

- **Is reinsurance permitted on a cross-border basis?**

Yes, although reinsurers must be entered in the register of foreign insurance and reinsurance organisations which is maintained by the Belarusian Ministry of Finance.

- **Are there discriminatory requirements on cross-border foreign reinsurers for collateralisation or localisation of assets?**

No.

- **Are there (i) any restrictions on foreign ownership of subsidiaries or (ii) any other discriminatory barriers affecting the establishment of branches or subsidiaries (if permitted)?**

No.

- **Are there compulsory cessions, right of first refusal rules, or other trade barriers affecting foreign reinsurers, including examples of Government interference in risk pricing?**

Yes. Local insurers must make a compulsory cession to Belarus Re of any risk surplus to the ceding company's maximum net retention of 20% of capital. The compulsory cession has been 100% since 1 January 2015. Cross-border reinsurance is only allowed if Belarus Re declines the risk or only reinsures part of it.

41. EUROPEAN UNION

- **Is reinsurance permitted on a cross-border basis?**

Yes, subject to rules existing in individual EU Member States, which may be modified by the EU's positive equivalence determination in respect of the relevant non-EU jurisdiction.

EIOPA Recommendation 9, which applies to both insurance and reinsurance business, confirms that intermediaries must be authorised under the Insurance Distribution Directive (IDD), if they intend to carry out distribution activities which target EU policyholders and EU risks.

When combined with Article 16 of the IDD, the practical implication of this is that any intermediated reinsurance placements (i.e., not a direct insurer-reinsurer or reinsurer-reinsurer relationship) on behalf of EU cedants must involve only EU-authorised intermediaries (with an appropriate level of corporate substance within the EU).

- **Are there discriminatory requirements on cross-border foreign reinsurers for collateralisation or localisation of assets?**

No.

- **Are there (i) any restrictions on foreign ownership of subsidiaries or (ii) any other discriminatory barriers affecting the establishment of branches or subsidiaries (if permitted)?**

No.

- **Are there compulsory cessions, right of first refusal rules, or other trade barriers affecting foreign reinsurers, including examples of Government interference in risk pricing?**

No.

42. <u>FRANCE</u>

- **Is reinsurance permitted on a cross-border basis?**

Yes, however, this is subject to business being written on a reverse solicitation basis and underwriting taking place outside of the territory.

- **Are there discriminatory requirements on cross-border foreign reinsurers for collateralisation or localisation of assets?**

No.

- **Are there (i) any restrictions on foreign ownership of subsidiaries or (ii) any other discriminatory barriers affecting the establishment of branches or subsidiaries (if permitted)?**

No.

- **Are there compulsory cessions, right of first refusal rules, or other trade barriers affecting foreign reinsurers, including examples of Government interference in risk pricing?**

Yes. Although it does not receive compulsory cessions, the state-owned reinsurer Caisse Centrale de Reassurance (CCR) is the exclusive beneficiary of a State guarantee. This allows CCR to offer Nat Cat reinsurance at highly competitive conditions leading to a dominating role in the French Nat Cat reinsurance market.

A withholding tax of 33.33% on reinsurance premiums may be levied. However, withholding taxes on payments to non-residents may be reduced or eliminated by international agreements.

43. GERMANY

- **Is reinsurance permitted on a cross-border basis?**

Yes, but it is restricted. The German Insurance Supervision Act (VAG), requires – as foreseen in the Solvency II Directive – third country (re)insurers who want to conduct business in Germany to have a permission from the German supervisory authority (§ 67 VAG) and requires them to establish a branch in Germany (§ 68 VAG).

The authorisation and branch requirement does not apply to (re)insurers solely carrying on reinsurance business in Germany through provision of cross-border services, if

(i) they are domiciled in a jurisdiction for which the European Commission has decided on the basis of Article 172 (2) or (4) of the Solvency II Directive that the solvency regime applying to reinsurance activities of undertakings with their head office in that jurisdiction is (temporarily) equivalent to Solvency II(Cross-border reinsurance in the form of the so-called "insurance by correspondence" continues to be allowed and is not subject to authorisation) or

(ii) the European Union has concluded a bilateral agreement with a third country.

According to the Germany's Federal Financial Supervisory Authority (BaFin), this applies to reinsurance business if, at the instigation of an undertaking domiciled in Germany, a reinsurance contract is concluded by correspondence with a primary insurer or reinsurer domiciled abroad without one of the parties being assisted by a professional intermediary in Germany or a professional intermediary domiciled abroad but acting as intermediary in Germany.

- **Are there discriminatory requirements on cross-border foreign reinsurers for collateralisation or localisation of assets?**

No.

- **Are there (i) any restrictions on foreign ownership of subsidiaries or (ii) any other discriminatory barriers affecting the establishment of branches or subsidiaries (if permitted)?**

No.

- **Are there compulsory cessions, right of first refusal rules, or other trade barriers affecting foreign reinsurers, including examples of Government interference in risk pricing?**

No.

44. MOLDOVA

- **Is reinsurance permitted on a cross-border basis?**

Yes, provided that the underwriting takes place outside the territory, and subject to the foreign reinsurer having a rating of at least "BBB" with S&P or equivalent.

- **Are there discriminatory requirements on cross-border foreign reinsurers for collateralisation or localisation of assets?**

No.

- **Are there (i) any restrictions on foreign ownership of subsidiaries or (ii) any other discriminatory barriers affecting the establishment of branches or subsidiaries (if permitted)?**

No.

- **Are there compulsory cessions, right of first refusal rules, or other trade barriers affecting foreign reinsurers, including examples of Government interference in risk pricing?**

Yes. Local insurers that place reinsurance with foreign reinsurers must retain at least 20% of the risk.

45. NETHERLANDS

- **Is reinsurance permitted on a cross-border basis?**

Yes, however, restrictions apply. On 17 March 2021, new regulations regarding third country insurers entered into effect and article 2:45 Financial Supervision Act (FSA) was amended. Under the new Article 2:45(1), non-EU (non-)life insurers are prohibited to offer insurance services in the Netherlands on a cross-border basis. Likewise, the amendment no longer permits third-country life and non-life insurers to carry on the business of direct insurer in the Netherlands by providing their services from a branch office in another EU Member State.

However, (new) article 2:45(2) FSA still allows non-EU (non-)life insurers to provide reinsurance services in the Netherlands on a cross-border basis. In order to do so, the non-EU (non-)life insurer must submit a notification to the Dutch Insurance Regulator DNB to be approved and may have to demonstrate adequate solvency.

- **Are there discriminatory requirements on cross-border foreign reinsurers for collateralisation or localisation of assets?**

In April 2022, DNB requested the Ministry of Finance to strengthen the supervisory framework for branches of third county life and non-life insurers in order to increase the certainty that assets of such branches are and remain available for use by third parties to increase the certainty that assets of such branches are and remain available to Dutch policyholders. According to DNB, the current regulatory framework does not provide sufficient guidance in this respect. DNB sees opportunities to strengthen the supervisory framework by imposing additional conditions on the granting of licences and on ongoing supervision.

- **Are there (i) any restrictions on foreign ownership of subsidiaries or (ii) any other discriminatory barriers affecting the establishment of branches or subsidiaries (if permitted)?**

No.

- **Are there compulsory cessions, right of first refusal rules, or other trade barriers affecting foreign reinsurers, including examples of Government interference in risk pricing?**

Yes. From 1 January 2025, Dutch insurers must obtain the DNB's prior consent before entering into asset-intensive reinsurance agreements that allows a reinsurer to hold assets in a non-EU member state. The request for consent requires extensive documentation.

46. PORTUGAL

- **Is reinsurance permitted on a cross-border basis?**

Yes, but business should be written on a ‘reverse solicitation’ basis.

- **Are there discriminatory requirements on cross-border foreign reinsurers for collateralisation or localisation of assets?**

Yes. In accordance with local legislation, and subject to regulations to be issued under this legislation, ceding insurers cannot take credit on their balance sheets for reinsurance purchased from non-EEA reinsurers from non-equivalent regimes unless such reinsurers guarantee their obligations by way of collateral.

In June 2023, following earlier consultation, Regulatory Standard No 2/2023-R was passed which introduced collateral requirements in respect of reinsurance contracts underwritten by reinsurers in third countries not deemed equivalent for Solvency II purposes. In summary, in-scope reinsurers must provide collateral in favour of the ceding insurer for a risk adjusted amount. This ranges between 50% to 90% collateral of the value recoverable depending on the circumstances.

- **Are there (i) any restrictions on foreign ownership of subsidiaries or (ii) any other discriminatory barriers affecting the establishment of branches or subsidiaries (if permitted)?**

No.

- **Are there compulsory cessions, right of first refusal rules, or other trade barriers affecting foreign reinsurers, including examples of Government interference in risk pricing?**

No.

47. RUSSIA

- **Is reinsurance permitted on a cross-border basis?**

Yes. However, please see comments further down concerning cross-border transactions with 'unfriendly' countries.

- **Are there discriminatory requirements on cross-border foreign reinsurers for collateralisation or localisation of assets?**

No.

- **Are there (i) any restrictions on foreign ownership of subsidiaries or (ii) any other discriminatory barriers affecting the establishment of branches or subsidiaries (if permitted)?**

Yes. Branches of foreign reinsurers are permitted from August 2021. Such insurers must be registered and accredited by the Bank of Russia and have aggregate assets of at least USD 5 billion. In addition, they should have eight years of experience in providing life insurance services and five years' experience in all other remaining sectors and have more than five years' experience of running branches in other markets.

- **Are there compulsory cessions, right of first refusal rules, or other trade barriers affecting foreign reinsurers, including examples of Government interference in risk pricing?**

Yes. In response to the Sanctions applied against Russia following their invasion of Ukraine, Russia increased the requirement for all insurers/reinsurers to now offer a 50% share in all outward reinsurance placements to the Russian National Reinsurance Company (RNRC). The RNRC must accept at least 10% of business subject to international sanctions, while in respect of all other business offered, it may accept the 10%, decline or reduce participation, or agree to take a higher share than 10% if offered by a cedant/retrocedent.

This originally applied to contracts incepted on 1 Jan 2017 and after, but from 1 Jan 2018, any treaty or facultative outward reinsurance signed prior to 1 Jan 2017 also became subject to the mandatory cession requirement.

In March 2022, the Russian State Duma amended relevant legal provisions to stop the flow of capital and money out of Russia and to protect Russian insurers from entering into contracts where claims may not be settled due to sanctions. The provisions prohibit Russian insurers from transacting with foreign reinsurers and intermediaries from countries designated as "unfriendly", as well as any other entities under their control. The list of designated "unfriendly countries" includes the United Kingdom, the European Union, the United States and others. In order to conduct business, a Russian insurer needs to request an exemption from the Central Bank of Russia. This ban was originally imposed to the end of December 2022 and has been extended annually, including up to December 2025. .

48. UNITED KINGDOM

- **Is reinsurance permitted on a cross-border basis?**

Yes.

- **Are there discriminatory requirements on cross-border foreign reinsurers for collateralisation or localisation of assets?**

No.

- **Are there (i) any restrictions on foreign ownership of subsidiaries or (ii) any other discriminatory barriers affecting the establishment of branches or subsidiaries (if permitted)?**

Yes, some non-EU reinsurers have been encouraged to convert their branches into subsidiaries to ensure adequate local capital for the benefit of UK (re) insureds.

- **Are there compulsory cessions, right of first refusal rules, or other trade barriers affecting foreign reinsurers, including examples of Government interference in risk pricing?**

No.

NORTH & SOUTH AMERICA

49. ARGENTINA

- **Is reinsurance permitted on a cross-border basis?**

Yes. Cross-border foreign reinsurers must be registered as an Admitted Reinsurer with the regulator and have limited market access. Individual and catastrophe risks with insured sums from USD 35m may be reinsured by Admitted Reinsurers in its entirety.

- **Are there discriminatory requirements on cross-border foreign reinsurers for collateralisation or localisation of assets?**

Branches of foreign reinsurers must keep funds in Argentina equivalent to the minimum capital requirements for local reinsurers. This can vary based on the amount of written premium. The minimum capital requirement for local reinsurers is ARS 350m and 16% of net retained premiums including surcharges, amount of which may not be less than 40% of issued premiums.

In addition, Admitted Reinsurers must evidence having: (1) a net worth in excess of USD 100m; (2) credit ratings of the last three years granted by the following international rating agencies:

- A.M. Best: minimum qualification B+;
- Standard & Poor's International Ratings Ltd.: capacity to pay claims, minimum qualification BBB;
- Moody's Investors Service: Financial Solvency, minimum qualification BBB;
- Fitch IBCA Ltd.: capacity to pay claims, minimum qualification BBB.

- **Are there (i) any restrictions on foreign ownership of subsidiaries or (ii) any other discriminatory barriers affecting the establishment of branches or subsidiaries (if permitted)?**

There are no limitations on foreign ownership of local insurers. Foreign insurers may participate in the market as wholly or partly owned subsidiaries, or as branches. However, foreign reinsurers willing to register as local reinsurers and enjoy unrestricted market access must set up an Argentine branch with capital equalling the greater of ARS 350m or 16% of premium retained or 40% of gross written premium.

- **Are there compulsory cessions, right of first refusal rules, or other trade barriers affecting foreign reinsurers, including examples of Government interference in risk pricing?**

Yes. The percentage of ceded premiums per contract that may be ceded by Argentinian insurers to Admitted Reinsurers has been gradually increased in recent years and currently stands at 75%.

The threshold for exceptions to the above limitation is USD 35m, allowing individual risks over USD 35m to be placed in their entirety with Admitted Reinsurers. Additionally, catastrophe reinsurance agreements exceeding the threshold also qualify for this exemption.

In addition, local reinsurers may not transfer more than 75% of aggregate premiums in a fiscal year to subsidiaries or companies belonging to the same financial conglomerate located abroad.

With effect from 23 December 2024, the PAIS tax (a withholding tax which applies to the purchase of foreign goods and services in a foreign currency), has been removed.

50. BRAZIL

- **Is reinsurance permitted on a cross-border basis?**

Yes. There is requirement for foreign reinsurers to be registered as either an 'Admitted' or an 'Occasional' reinsurer.

- **Are there discriminatory requirements on cross-border foreign reinsurers for collateralisation or localisation of assets?**

Yes. Admitted and Occasional reinsurers face minimum capital and rating requirement and must hold a minimum "BBB" S&P risk rating or “BBB-“ Fitch or “Baa2” Moody’s or “B++” AM Best and net assets of USD 150m. Admitted Reinsurers are required to hold a foreign currency bank account in Brazil tied to the regulator, with a minimum deposit of USD 5m (USD 1m for life reinsurers).

- **Are there (i) any restrictions on foreign ownership of subsidiaries or (ii) any other discriminatory barriers affecting the establishment of branches or subsidiaries (if permitted)?**

Yes. There are no restrictions on foreign ownership of subsidiaries. However, foreign reinsurers registered in the Admitted category are required to establish or contract in advance a representation office in Brazil. The local regulator must give approval for the legal representative of the Admitted reinsurer. A 2% withholding tax applies to overseas premium remittances. A financial operations tax of 0.38% applies to foreign exchange transactions.

- **Are there compulsory cessions, right of first refusal rules, or other trade barriers affecting foreign reinsurers, including examples of Government interference in risk pricing?**

Yes.

The local market holds a right of first refusal (preferential offer) over 40% of each reinsurance risk, according to the Complementary Law nº 126/2007.

A requirement for retention from the written premium is in place, except for surety bonds, agricultural (re)insurance, and export/domestic credit (re)insurance. Calculation is based on risks written in the calendar year. Effective 1 January 2023, CNSP Resolution 451 reduced minimum retention requirements for insurers from 50% to 10% (insurers can submit a technical justification to SUSEP to reduce the limit further) and for reinsurers from 50% to 30% of their total annual written premium. This does not apply to financial, agricultural and nuclear risks.

The merger of Admitted and Occasional reinsurer categories with entities becoming automatically licensed under the new category of Registered reinsurer was in the previous government’s plans and it remains to be seen if the current administration would want to pursue a similar objective. There is no evidence that this remains a focus of the current administration.

In December 2024, the New Insurance Act Bill No. 15.040 was approved by the Government and will take effect one year after its publication. The act introduces a tacit acceptance of reinsurance if an offer is not rejected within 20 days, provides for the application of Brazilian law and jurisdiction to reinsurance disputes where such litigation affects the insurance cover and includes an obligation for the reinsurer to cover the entire reinsured interest, including the insurer’s interest related to recovering the effects of the delay in fulfilling the insurance contract (including salvage expenses and claims adjustment costs). The market is still awaiting the regulation of the law by SUSEP, which may provide greater clarity and eliminate certain grey areas.

51. CANADA

- **Is reinsurance permitted on a cross-border basis?**

Yes.

- **Are there discriminatory requirements on cross-border foreign reinsurers for collateralisation or localisation of assets?**

Yes. Discriminatory requirements/conditions include:

1) The current requirement for 120% of collateral on reinsured balances due from unregistered reinsurers;

2) In order for registered cedent in Canada to receive favourable capital treatment in connection with the use of unregistered reinsurance (similar to that of registered reinsurance), the unregistered reinsurer must demonstrate financial soundness and post collateral in compliance with the applicable Minimum Capital Test (MCT)/Branch Adequacy of Assets Test (BAAT) guidelines and regulations; and

3) The adoption of the Office of the Superintendent of Financial Institutions (OSFI) Guideline B2 (please see below) imposes further capital requirements on registered cedents in Canada by mandating a test involving large limit exposures and unregistered reinsurance counterparty concentration risk.

On June 8, 2018, OSFI released a Discussion Paper on OSFI's Reinsurance Framework ("OSFI's 2018 RF"), outlining several proposed changes to the existing reinsurance regulatory framework. OSFI conducted a multi -year review of Canadian reinsurance practices and identified some concerns related to the "leveraged business model". OSFI's concerns related to risks associated with large exposures and concentration of reinsurance counterparties.

OSFI proposed two major changes in the new framework:

(1) Introduce a prescriptive rule to establish a link between policy size, insurer financial resources and reinsurance structure and nature and

(2) Adjust the capital framework to increase capital requirements related to various types of reinsurance arrangements.

In addition to these two main changes, OSFI's new reinsurance framework proposes several other changes to be introduced as part of a revised B-2 Guideline for P&C, a revised B-3 Guideline, revised DA 21 Transaction Instructions, and possible additional changes to capital guidelines. Under the OSFI's proposed new rule, the maximum policy limit that a P&C federally regulated insurer (FRI) could issue would depend upon its level of available capital, the flow of reinsurance payments, the reinsurer's registered/unregistered status, excess collateral, as well as the diversity of its unregistered reinsurance counterparties.

OSFI's B-3 & B-2 guidelines took effect on 1 January 2025. Whilst the B-3 guideline remains relatively unchanged from the draft released in 2019, the B-2 guideline accounts for industry feedback from November 2020 draft guidelines. The revised B-2 guideline will require P&C insurers to develop a comprehensive "Gross Underwriting Limit Policy" ("GUWP") that is consistent with the Risk Appetite framework and hold sufficient capital to cover the maximum loss on the largest Single Insurance Exposure.

- **Are there (i) any restrictions on foreign ownership of subsidiaries or (ii) any other discriminatory barriers affecting the establishment of branches or subsidiaries (if permitted)?**

No.

- **Are there compulsory cessions, right of first refusal rules, or other trade barriers affecting foreign reinsurers, including examples of Government interference in risk pricing?**

No.

52. COLOMBIA

- **Is reinsurance permitted on a cross-border basis?**

Yes. Local regulation requires the registration of the foreign carrier.

- **Are there discriminatory requirements on cross-border foreign reinsurers for collateralisation or localisation of assets?**

No.

- **Are there (i) any restrictions on foreign ownership of subsidiaries or (ii) any other discriminatory barriers affecting the establishment of branches or subsidiaries (if permitted)?**

No.

- **Are there compulsory cessions, right of first refusal rules, or other trade barriers affecting foreign reinsurers, including examples of Government interference in risk pricing?**

Yes. Article 2.31.1.7.1 of Decree 2555/2010, applicable to facultative as well as treaty business, requires Colombian insurers and reinsurers to retain reserves on premiums ceded to foreign reinsurers under proportional reinsurance contracts in the following percentages:

- Mining and Petroleum - 10%
- Aviation and Marine Hull - 10%
- Bankers' Blanket Bond (BBB) - 10%
- All other classes - 20%.

53. ECUADOR

- **Is reinsurance permitted on a cross-border basis?**

Yes, but subject to restrictions. All foreign reinsurers should be registered by Superintendencia de Compañías, Valores y Seguros de Ecuador and hold a minimum credit rating from an internationally recognized rating agency not lower than:

- Baa1 from Moody's
- BBB+ from Standard & Poor's
- BBB+ from Fitch
- bbb+ from A.M. Best

- **Are there discriminatory requirements on cross-border foreign reinsurers for collateralisation or localisation of assets?**

No.

- **Are there (i) any restrictions on foreign ownership of subsidiaries or (ii) any other discriminatory barriers affecting the establishment of branches or subsidiaries (if permitted)?**

No.

- **Are there compulsory cessions, right of first refusal rules, or other trade barriers affecting foreign reinsurers, including examples of Government interference in risk pricing?**

Yes. Premiums for insurance and reinsurance paid to businesses that are not permanently based in Ecuador, are subject to a withholding tax. The taxable base is 25% of those premiums if the amount ceded is within regulatory guidelines, 50% if it exceeds them, and 100% if the cessions are made to a company in a tax haven, according to *Article 13.6 of the Organic Internal Tax Regime Law as amended (by Article 12 of the Organic Law of Production Incentives and Prevention of Fiscal Fraud of December 29, 2014*).The tax rates are 35% on premiums paid in tax havens and 25% on nations with which Ecuador does not have a double taxation agreement. In cases where double taxation agreements are in place, taxes are due in accordance with regulations in the country of the insurer or reinsurer's domicile rather than being withheld locally.

The Government enacted a number of tax reforms in March 2024. By amending Article 162 of the *Reform Law for Tax Equity in Ecuador* and rescinding related presidential decisions, the rate of the separate tax on any remittances made outside of Ecuador, known as the impuesto a la salida de divisas (ISD), was raised to 5% with effect from April 1, 2024.This involves a one-time payment of 3.25% of their 2022 taxed income made by corporate entities, including insurers, in the tax years 2024 and 2025. The charge does not apply to micro and small companies and is not deducted from income taxes.

54. UNITED STATES

- **Is reinsurance permitted on a cross-border basis?**

Yes.

- **Are there discriminatory requirements on cross-border foreign reinsurers for collateralisation or localisation of assets?**

Yes, unlicensed and non-US reinsurers must post 100% collateral for the ceding insurer to get credit for reinsurance on its balance sheet. However, all states have now adopted the 2011 NAIC framework providing reduced collateral (less than 100%) for approved reinsurers.

In 2011, the NAIC adopted revisions to its Credit for Reinsurance Models, providing reductions in collateral for well regulated, financially strong reinsurers. As of February 2020, all US States have adopted, and 48 have implemented reduced collateral regulations.

On 22 September 2017, the US-EU Bilateral Agreement was formally executed and implementation efforts have now begun. The Agreement directs States to adopt legislation eliminating discriminatory reinsurance collateral provisions within 5 years. Failure to do so could lead to the Federal Government pre-empting State laws that are inconsistent with the Agreement. In anticipation of the departure of the UK from the EU, a separate covered agreement between the US and the UK was signed in December 2018 and entered into force on 31 December 2020. This replicates the terms of the US-EU agreement.

On June 25, 2019, the NAIC adopted revisions to its Model Credit for Reinsurance Law & Regulation implementing the covered agreement and providing a process for reinsurers domiciled in jurisdictions with robust regulatory regimes to qualify for zero collateral known as "Reciprocal Reinsurer" status. The revisions will now need to be enacted at state level.

As at 1 January 2023, all US states and the District of Columbia have fully implemented the covered agreement by enacting legislation and/or adopting regulations that set forth an approval process for Reciprocal Jurisdiction Reinsurers. Under these laws and regulations, the elimination of collateral requirements are prospective only.

- **Are there (i) any restrictions on foreign ownership of subsidiaries or (ii) any other discriminatory barriers affecting the establishment of branches or subsidiaries (if permitted)?**

Yes. As part of the passage of the Tax Cuts and Jobs Act of 2017, a new tax is levied on all "deductible" cross-border payments between a reinsurer's US affiliates and non-US affiliates.

- **Are there compulsory cessions, right of first refusal rules, or other trade barriers affecting foreign reinsurers, including examples of Government interference in risk pricing?**

No.