

GOVERNMENT OF PAKISTAN  
SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

*Islamabad, the 14<sup>th</sup> April, 2017*

NOTIFICATION

SRO 262 (I)/2017.- In exercise of powers conferred by sub-section (1) of section 167 of the Insurance Ordinance (XXXIX of 2000), read with SRO 708(I)/2009 dated 27<sup>th</sup> July 2009, the following draft of amendment to the Insurance Rules, 2017, is hereby published by the Securities and Exchange Commission of Pakistan for information of all persons likely to be affected thereby and notice is hereby given that objections and suggestions, if any, received to the Securities and Exchange Commission of Pakistan within the thirty days of this notification will be taken into consideration.

**DRAFT AMENDMENTS**

In the Insurance Rules, 2017:

1. For the existing rule 41 the following shall be substituted, namely:

**"41. Classes of insurance surveyors.—** (1) For the purposes of section 114 of the Ordinance, the following shall be the main classes of insurance surveyors, namely:-

- (a) Fire and property damage business;
- (b) Marine, aviation and transport business;
- (c) Motor business (to include own damage and third party liability);
- (d) Miscellaneous business;

Provided that miscellaneous business shall be classified into following sub-classes, namely:-

- (i) Liability business;
- (ii) Workers compensation business;
- (iii) Credit and surety ship business;
- (iv) Accident and health business;
- (v) Agriculture insurance including crop insurance; and
- (vi) Others.

Provided that existing licencees shall apply for the licence of the above main classes on the expiry of their valid licence as on the commencement date of this notification.



Provided further that the persons having licence for the miscellaneous class on the commencement date of this sub-rule shall be issued a composite licence of miscellaneous business confirming that the applicant is eligible to undertake all the sub-classes enumerated as (i) to (vi) above, within a year of coming into force of this notification.

(2) A licence granted by the Commission under section 112 of the Ordinance shall specify the main class of insurance surveyors for which the licence is granted.

(3) A certificate of registration as an authorized surveying officer under section 113 of the Ordinance shall specify the main class of insurance surveyors for which the certificate of registration is granted."

2. In rule 42:

(a) Existing clause (a) shall be substituted with the following, namely:

*"(a) For the purposes of clause (a) of that sub-section, the prescribed minimum paid-up share capital shall be as provided in the table below:*

<i>Relevant Classes of Insurance Surveyor</i>	<i>Required Paid up share capital</i>
<i>For all four main classes</i>	<i>Rs. 2 million</i>
<i>For three main classes</i>	<i>Rs. 1.8 million</i>
<i>For two main classes</i>	<i>Rs. 1.6 million</i>
<i>For only one main class</i>	<i>Rs. 1.5 million</i>

*Provided that the existing insurance surveyors shall comply with the requirement of minimum paid up share capital, in accordance with the classes of business in the following manner:*

<i>Relevant Classes of Insurance Surveyor</i>	<i>December 31<sup>st</sup>, 2017</i>	<i>December 31<sup>st</sup>, 2018</i>
<i>For all four main classes</i>	<i>Rs. 1.5 million</i>	<i>Rs. 2 million</i>
<i>For three main classes</i>	<i>Rs. 1.4 million</i>	<i>Rs. 1.8 million</i>
<i>For two main classes</i>	<i>Rs. 1.3 million</i>	<i>Rs. 1.6 million</i>
<i>For only one main class</i>	<i>Rs. 1.25 million</i>	<i>Rs. 1.5 million</i>

*A surveying company registered under this Ordinance shall at all times ensure that the provision relating to minimum paid up share capital requirements are complied with.*

(b) In clause (b), for the words "three million rupees", the words "one million rupees for any one event" shall be substituted;



- (c) in clause (c) after the words "*sub-section*" and *comma*, for the word "*no*" the word "*an*" shall be substituted, and after the word "*association*", the words "*which shall be determined by the Commission*" shall be inserted;

3. In rule 43:

(a) in sub-rule (1):

- (i) In clause (h), the word "and" appearing in the end, shall be omitted;
- (ii) In clause (i), the full stop appearing at the end shall be substituted with a semicolon and after the semicolon, the word "and" shall be added;
- (iii) After clause (i), as amended aforesaid, the following new clause (j), shall be added, namely:

*"(j) such other information as may be specified by the Commission in writing."*

(b) In clause (b) of sub-rule (2):

- (i) In sub-clause (vii), the word "and" appearing in the end, shall be omitted;
- (ii) In sub-clause (viii), the full stop appearing at the end shall be substituted with a semicolon and after the semicolon, the word "and" shall be added;
- (iii) After sub-clause (viii), amended as aforesaid, the following new sub-clause (ix), shall be added namely:

*"(ix) such other information as may be specified by the Commission in writing."*

(c) In clause (c) of sub-rule (2):

- (i) In sub-clause (vii), the word "and" appearing in the end, shall be omitted;
- (ii) In sub-clause (viii), the full stop appearing at the end shall be substituted with a semicolon and after the semicolon, the word "and" shall be added;
- (iii) After sub-clause (viii), amended as aforesaid, the following new sub-clause (ix), shall be added namely:

*"(ix) such other information as may be specified by the Commission in writing."*



(d) After sub-rule (6) the following new sub-rule (7), shall be added, namely:

*“(7) An application for grant of a new licence for any main class of insurance surveyors shall be accompanied by a fee of Rs. 7,500/- (rupees seven thousand and five hundred) per main class, which shall be refunded if the application is not granted.*

(e) After sub-rule (7) inserted as aforesaid, a new sub-rule (8) shall be inserted as follows:

*“(8) An application for renewal of a surveyor licence for any main class of insurance surveyors shall be accompanied by a fee of Rs. 5,000/- (rupees five thousand) per main class, which shall be refunded if the application is not granted.*

*Provided that the on the commencement date of sub-rule (7) and (8), the provision of sub-rule (6) would lapse, and where an applicant for fresh licence or renewal of licence as an insurance surveyor, paid the licence fee to the Commission in accordance with sub-rule (6) above, the Commission shall recalculate the fee as imposed through sub-rule (7) or sub-rule (8), as the case may be, and shall refund the excess amount of fee paid by the insurance surveyor.*

4. For sub-rule (1) of rule 45 the following shall be substituted, namely:

*“(1) With effect from January 1, 2018, the directors and chief executive officer of all fresh applicants for Miscellaneous business of survey will submit Continuous Professional Development Certificate as evidence of completion of four days training undertaken during the immediate preceding three years’ from an insurance institute(s), approved by the Commission, in the relevant sub classes.”*

5. In rule 46:

(a) in sub-rule (1):

(i) In clause (vii), the word “and” appearing in the end, shall be omitted;

(ii) In clause (viii), for the full stop appearing at the end a semicolon shall be substituted and after the semicolon, the word “and” shall be added;

(iii) After clause (viii), amended as aforesaid, the following new clause (ix), shall be inserted, namely:

*“(ix) such other information as may be specified by the Commission in writing.”*



(b) In sub-rule (2):

- (i) In clause (vii), for the full stop appearing at the end a semicolon shall be substituted and after the semicolon, the word "and" shall be added;
- (ii) After clause (vii), amended as aforesaid, the following new clause (viii), shall be inserted namely:

*"(viii) such other information as may be specified by the Commission in writing."*

(c) After sub-rule (6) the following new sub-rule (7), shall be added, namely:

*"(7) An application for grant of an Authorized Surveying Officers' new licence will be accompanied by a fee of Rs. 5,000/- (rupees five thousand) per main class, which shall be refunded if the application is not granted."*

(d) After sub-rule (7) inserted as aforesaid, a new sub-rule (8) shall be inserted as follows:

*"(8) An application for renewal of an Authorized Surveying Officers' licence shall be accompanied by a fee of Rs.2,000/- per main class (rupees two thousand), which shall be refunded if the application is not granted."*

*Provided that the on the commencement date of sub-rule (7) and (8), the provision of sub-rule (6) would lapse, and where an applicant for fresh licence or renewal of licence as an authorized surveying officer, paid the licence fee to the Commission in accordance with sub-rule (6) above, the Commission shall recalculate the fee as imposed through sub-rule (7) or sub-rule (8), as the case may be, and shall refund the excess amount of fee paid by the authorized surveying officer.*

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( Bilal Rasul )

Secretary to the Commission

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