***Before Ali Azeem Ikram, Executive Director/HOD (Adjudication-I)***

**In the matter of Show Cause Notice issued to The Cooperative Insurance Society of Pakistan Limited**

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| Date of Hearing | November 06, 2020 |

**Order-Redacted Version**

Order dated November 17, 2020 was passed by Executive Director/Head of Department (Adjudication-I) in the matter of The Cooperative Insurance Society of Pakistan Limited. Relevant details are given as hereunder:

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| **Nature** | **Details** |
| * Date of Action | Show Cause notice dated June 09, 2020 |
| * Name of Company | The Cooperative Insurance Society of Pakistan Limited. |
| * Name of Individual\* | The proceedings were initiated against the Company i.e. The Cooperative Insurance Society of Pakistan Limited. |
| * Nature of Offence | Under Clauses (Ixxvi), (Ixxvii), (Ixxviii), (Ixxix) and (Ixvii), of the Code of Corporate Governance for insurers, 2016 and Section 46, Section 51 read with Section 156 of the Insurance Ordinance, 2000. |
| * Action Taken | Key findings of default of Regulations were reported in the following manner:  The facts giving rise to initiation of the instant proceedings are that the Society did not submit a complete set of the Regulatory Returns for the year ended December 31, 2018 as per the requirements of Section 46 of the Ordinance. The Society also did not submit the auditor’s review report on statement of compliance with best practices of corporate governance and auditor’s review report on the statement of compliance with Sections 11 and 12 of the Ordinance, as per requirement of the Clauses lxxvii and lxxix of the Code, respectively. In addition, the Society did not submit the Management Letter, as required under clause lxvii.  I have carefully examined the facts of the case in light of the applicable provisions of the law and have given due consideration to the written as well as verbal submissions and arguments of the Respondents. I am of the considered view that the Respondents did not ensure their compliance with the mandatory provisions of the Ordinance in the following instances:   * The Society did not submit the Identified Regulatory Returns for the year ended December 31, 2018 within the stipulated timeline in Contravention of Section 46(1) read with Rule 19 of the Rules and Section 51(1) of the Ordinance. * The Society did not submit the Auditor's Review Reports on the Statements of Compliance with the Section 11 and 12 of the Ordinance within the stipulated timeline which constitute contravention with Clause (Ixxvii) and (Ixxix) of the Code, respectively. * The Society has also failed to submit the Management letter within due date in contravention with Clause (Ixvii) of the Code.   In view of the foregoing facts, I am of the considered view that flagrant and multiple violations of the Clauses (Ixxvi), (Ixxvii), (Ixxviii), (Ixxix), (Ixvii), of the Code of Corporate Governance of the Regulations have been established. Therefore, in terms of powers conferred under section 46 read with Rule 19 and Section 51 of the Ordinance and Clauses (Ixxvii), (Ixxix), (Ixvii) a penalty of **Rs. 50,000/- (Rupees Fifty Thousand only)** is hereby imposed on the Corporation. The Respondent is hereby directed:   * To ensure meticulous compliance with the applicable provisions of the Ordinance, Rules and Regulations made thereunder and Directives issued by the Commission.   Penalty Order dated November 17, 2020 was passed by Executive Director (Adjudication-I). |
| * Penalty Imposed | Penalty of 50,000/- (Rupees Fifty Thousand only**)** was imposed. |
| * Current Status of Order | No Appeal was filed against the order. |

Redacted version issued for placement on the website of the Commission.