

**GOVERNMENT OF PAKISTAN**  
**Securities and Exchange Commission of Pakistan**

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Islamabad, the 20<sup>th</sup> March, 2024

**NOTIFICATION**

**S.R.O. 447 (I)/2024.**- In exercise of the powers conferred by section 40B of the Securities and Exchange Commission of Pakistan Act, 1997 (XLII of 1997), read with clause (j) and clause (w) of sub-section (4) of section 20 thereof, the Securities and Exchange Commission of Pakistan (the "Commission") is pleased to direct that all insurers registered under the Insurance Ordinance, 2000 (XXXIX of 2000) shall comply with the requirements of this directive with immediate effect.

1. Any person acquiring ten percent (10%) or more than ten percent shareholding in an insurer (either individually or in concert with his family members or as part of a group), shall seek prior approval from the Commission in writing for entering into any share purchase agreement/ memorandum of understanding.
2. The requirements stated at paragraph (1) above shall be applicable, in addition to the requirements of section 67 of the Insurance Ordinance, 2000 (hereinafter referred to as the "Ordinance"), which are to be complied with as per the requirements thereof.
3. Any person to which paragraph (1) applies shall submit an application for acquisition of shareholding in an insurer with the Commission along with the information as per Annexure-A and undertaking as per Annexure-B:

*Provided that where multiple persons are acting in concert, each person acquiring shareholding shall submit the information and the undertaking stated above.*

*Provided further that in the case of promoters of a fresh applicant as an insurer, information as per Annexure-A and undertaking as per Annexure-B shall be submitted, as part of the registration application.*

4. After coming into effect of this notification, the promoters of a fresh applicant as an insurer and any person who acquires ten percent or more than ten percent shareholding in an insurer, as provided at paragraph 1 above, shall be assessed by the Commission on the basis of following fit and proper criteria: -
  - (a) The requirements of "Integrity and Track Record" and "Financial Soundness" as provided in the Insurance Companies (Sound and Prudent Management) Regulations, 2012; and

(b) The prospective shareholder has declared personal net worth which shall not be less than the amount to be subscribed by him individually.

5. While assessing, whether the promoter or the prospective shareholder, as the case may be, is fit and proper or not, the Commission shall evaluate their sources of funds, financial standing, beneficial ownership and ability to raise future capital requirements, if any.

6. All promoters of a fresh applicant as an insurer and all shareholders acquiring ten percent (10%) or more than ten percent shareholding in an insurer, either individually or in concert with their family members or as part of group, are required to deposit their shares and subsequent right and bonus shares in a blocked account with the Central Deposit Company of Pakistan (CDC) within fifteen (15) days of the issuance or transfer of shares, as the case may be.

Provided that the requirement of depositing of shares in blocked account above shall not be applicable to the shareholdings of Federal and Provincial Governments in applicants or insurers.

7. All insurers are required to ensure that shareholders acquiring ten percent (10%) or more than ten percent shareholding in an insurer, either individually or in concert with their family members or as part of group, have sought necessary approval as per the requirements of this notification and place such approval on their record.

## Annexure-A

**(a) Information to be provided by persons (other than a company or body corporate) as promoter or acquiring 10% or more shareholding in an insurer:**

<b>1.</b>	<b>Information</b>
a	Name (former name if any):
b	Father's or Husband Name:
c	C.N.I.C # / Passport # (in case of foreign nationals) - (attach copy)
d	Nationality:
e	Age:
f	Contact details:
	i) Residential address:
	ii) Business address:
	iii) Tel:
	iv) Mobile:
	v) Fax:
	vi) E-mail:
g	National Tax Number:
h	Present occupation:
i	Experience: Position held during the last ten years (along with name and address of company/institution/body where appointment held, nature of the company/institution/body and dates of appointment.)
2.	Personal net worth of the person _____. (Attach last year wealth statement duly filed with the tax authority)
3.	Names of companies, firm and other organization of which the proposed person is a director, partner, office holder.
4.	Names of persons on the board of the insurer who are related to the applicant.

### Signature

**(b) Information to be provided by a company or a body corporate, as promoter or acquiring 10% or more shareholding in an insurer:**

1. Financial statements for the last three years;
2. Shareholding details including details of ultimate beneficial owners;
3. Any substantial adverse verdicts against the Company or the body corporate from any Court of Law during the last ten years;
4. Details of associated companies and subsidiaries;
5. Details of any inquiry, investigation conducted by the Commission or any other regulatory or professional body or government agency during the last five years; and
6. Any other information as may be required by the Commission.

**AFFIDAVIT**

**(On Stamp Paper of Appropriate Value)**

I, \_\_\_\_\_ son/daughter/wife of \_\_\_\_\_  
adult, resident of \_\_\_\_\_  
and holding CNIC/ Passport No. \_\_\_\_\_ do hereby state on  
solemn affirmation as under:-

1. That I fulfil/comply with the fit and proper criteria requirement provided in this notification.
2. That I hereby confirm that the statements made and the information given by me is correct and that there are no facts which have been concealed.
3. That I have no objection if Securities and Exchange Commission of Pakistan requests or obtains information about me from any third party.
4. That I undertake to bring to the attention of the Securities and Exchange Commission of Pakistan any matter which may potentially affect my status under the fit and proper criteria provided in this notification.
5. That all the documents provided to Securities and Exchange Commission of Pakistan are certified true copies of the originals.
6. That I undertake that no investigation is initiated by any Law Enforcement Agency (LEA) against me. (In case any investigation has been initiated, the fact must be disclosed)

\_\_\_\_\_  
**DEPONENT**

The Deponent is identified by me

**Signature**

\_\_\_\_\_  
**ADVOCATE**

**(Name and Seal)**

Solemnly affirmed before me on this \_\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ by the Deponent above named who is identified to me by \_\_\_\_\_, Advocate, who is known to me personally.

Signature \_\_\_\_\_  
(Name and Seal)

**Note:**

1. *The person may separately file the affidavit required in compliance of S.R.O. 933(I)/2020 dated September 30, 2020 or may combine the aforementioned affidavit with the affidavit above.*
2. *In the case of company and/or body corporate, this affidavit shall be submitted by the Company Secretary/Board Secretary (as the case may be) on behalf of the company/body corporate.*

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[File No.ID/LP&AD/SUB\_ACQ/2024]

  
( Bilal Rasul )  
Secretary to the Commission