

PART II

Statutory Notifications (S.R.O)

GOVERNMENT OF PAKISTAN Securities and Exchange Commission of Pakistan

Islamabad, the 6th November, 2015

NOTIFICATION

S.R.O. 1091(I)/2015. - In exercise of the powers conferred by Section 40 of the Securities and Exchange Commission of Pakistan Act, 1997 (XLII of 1997) read with Sections 20(4)(t), thereof and, Section 167 of the Insurance Ordinance, 2000 (XXXIX of 2000) the Securities and Exchange Commission of Pakistan, hereby publishes, as required by sub-section (2) of section 40 of the Act XLII of 1997, for eliciting public opinion thereon within 30 days from the date of this publication.

CHAPTER I

PRELIMINARY

1. **Short title and commencement.-** (1) These regulations shall be called as the Securities and Exchange Commission (Reinsurance Brokers) Regulations, 2015.

(2) They shall come into force at once.
2. **Definitions.-** (1) **In these regulations**, unless there is any repugnant in the subject or context, —
 - (a) "Act" means the Securities and Exchange Commission of Pakistan Act, 1997 (XLII of 1997);
 - (b) "Bank" means the State Bank of Pakistan established under Section 3 of State Bank of Pakistan Act, 1956;
 - (c) "Commission" means the Securities and Exchange Commission of Pakistan established under section 3 of the Act;
 - (d) "enquiry officer" means an officer of the Commission, or any other person having experience in insurance business, who is appointed by the Commission under regulation 33, to hold an enquiry against a reinsurance broker;
 - (e) "Form" means the forms specified under these regulations;

- (f) "inspecting authority" means one or more of its officers appointed by the Commission to discharge the functions stated in regulation 24;
- (g) "Ordinance" means the Insurance Ordinance, 2000 (XXXIX of 2000);
- (h) "principal officer" means a director who is responsible for the activities of the reinsurance broking or the chief executive officer appointed exclusively to carry out the functions of the reinsurance broker;
- (i) "regulations" means Securities and Exchange Commission (Reinsurance Brokers) Regulations, 2015;
- (j) "reinsurance broker" means a company which, for a remuneration, arranges reinsurance for direct insurers with other insurers or reinsurers; and
- (k) "schedule" means a schedule appended to these regulations.

(2) Words and expressions used but not defined in these regulations shall have the same meanings as assigned to them under the Act and the Ordinance, rules and regulations made thereunder.

CHAPTER II

REGISTRATION OF REINSURANCE BROKER

3. Prohibition. –(1) No person shall act or perform the functions of the reinsurance broker unless registered as a reinsurance broker with the Commission under these regulations.

(2) On the commencement of these regulations, any person providing services as reinsurance broker shall seek registration under these regulations within a period of six months from such commencement.

4. Eligibility criteria for registration. – (1) A company incorporated under the Companies Ordinance, 1984 can apply for grant of a license as a reinsurance broker.

(2) An application to the Commission by a company for grant of a license as a reinsurance broker shall be made on a format as specified in Schedule I.

(3) The application under sub-regulation (2) shall be made along with the requisite fees as specified in regulation 17.

5. Application and procedure for registration. – (1) An application for registration as a new reinsurance broker shall be made to the Commission as specified in Schedule 1 along with all the documents and receipt evidencing payment of non-refundable fee of such amount as specified therein.

(2). The Commission, while considering the application for registration may require the applicant to furnish such further information or clarification regarding its activities and business as it deem appropriate.

(3). Any subsequent change in the information provided to the Commission at the time of filing of application under sub regulation (1) shall be intimated to the Commission within five working days from the date of such change.

(4). The applicant shall or its principal officer, if so required, appear before the Commission for representation.

6. Grant of registration.- (1) The Commission, while considering the application for granting a certificate of registration made under sub regulation (1) of regulation 5, shall *inter alia*, take into account the following matters, namely, -

- (a) ability of the applicant to efficiently handle its functions under these regulations;
- (b) the applicant is not suffering from any of the disqualification specified under any law;
- (c) the necessary infrastructure including but not limited to adequate office space, equipment and trained manpower and technical aspects to effectively discharge its responsibilities under these regulations;
- (d) earlier refusal, if any, by the Commission for the registration of the applicant or any person, directly or indirectly connected with the applicant, as a reinsurance broker;
- (e) conviction or involvement of its sponsors, directors or employees in an offence involving fraud or breach of trust;
- (f) penal action against the applicant or its directors for offences under the ordinance, Act and the Companies Ordinance, 1984;
- (g) the applicant has in its employment a minimum of two persons who have the necessary qualifications specified under these regulations and experience to conduct the business of reinsurance broker;
- (h) the applicant fulfills the capital requirements as specified in regulation 11 and statutory deposit requirements as specified in regulation 12;
- (i) the principal officer of the applicant possesses the minimum qualification of:
 - (i) bachelor's degree or equivalent from an institution recognized by the Higher Education Commission of Pakistan or foreign qualification of equivalent level recognized by the Higher Education Commission of Pakistan and being Associate of the Chartered Insurance Institute, with at least 5 years of management cadre experience working with an insurer or an insurance or reinsurance broker; or

- (ii) master's degree or equivalent from an institution recognized by the Higher Education Commission of Pakistan or foreign qualification of equivalent level recognized by the Higher Education Commission of Pakistan, with at least 5 years of management cadre experience working with an insurer or an insurance or reinsurance broker.
 - (j) the principal officer has not violated the code of conduct as specified by the Commission from time to time; and
 - (k) any other matter as deemed necessary by the Commission.
- (2). The Commission on being satisfied, while considering the matters specified under sub regulation 1, that the applicant is eligible for registration may grant a certificate for registration in Form B subject to such conditions as may deem appropriate.
- (3). The certificate of registration shall remain valid for a period of three years from the date of registration unless it is restricted, suspended or cancelled earlier by the Commission.
- (4). The Commission may also specify the requirements for any or all employees of the reinsurance broker before it seeks the registration, to complete, at least twenty hours of training, imparted by an institution recognized by the Commission for this purpose, from time to time.

7. Renewal of Registration. – (1) A reinsurance broker shall, three months prior to the date of expiry of its registration, apply to the Commission as specified in Schedule 1 along with all the documents and receipt evidencing payment of non-refundable fee of such amount as specified therein.

(2). The Commission upon taking into account the past performance of the applicant and on being satisfied that the applicant is eligible for renewal of registration shall renew the registration of reinsurance broker and issue a certificate of renewal of registration to the applicant as per Schedule II

(3). Where the application for renewal of registration is made within such time as specified in sub regulation (1) but has not been decided by the Commission the registration shall continue to be valid until the application for renewal is decided by the Commission.

8. Procedure where registration is not granted or renewed. – (1) The Commission, after giving a reasonable opportunity of hearing to the applicant, may refuse to grant or renew a certificate of registration if in the opinion of the Commission such applicant does not fulfill the requirements prescribed in these regulations or where the Commission after taking into account the facts, is of the view that it is not in the public interest or in the interest of the insurance industry to grant or renew such certificate of registration.

(2) The applicant, if aggrieved by the decision of the Commission under sub-regulation (1), may, within a period of thirty days from the date of receipt of such refusal, prefer an appeal to the Appellate Bench of the Commission under section 33 of the Act within such time period as provided therein.

(3) The applicant, if aggrieved by the decision of the Appellant Bench of the Commission under sub-regulation (2), may prefer appeal to the Court under section 34 of the Act within such time period as provided therein.

(4) A reinsurance broker whose application for renewal of certificate of registration is refused under sub-regulation (1) shall, from the date of receipt of the decision of the Commission, cease to act as reinsurance broker:

Provided that a reinsurance broker, shall continue to be liable to provide services in respect of contracts already entered into during the previous period of registration and such services shall continue only up to the period of expiry of those current contracts.

(5) The reinsurance broker whose application for renewal of registration is refused shall intimate all its existing clients of this fact within a period of fourteen days from the date of receipt of such decision of the Commission or, as the case may be, decision of the Appellate Bench of the Commission referred to in sub-regulation (2) and decision of the Court referred to in sub-regulation (3).

CHAPTER III

DUTIES AND RESPONSIBILITIES OF REINSURANCE BROKER

9. Obligations of reinsurance broker.__ (1) A reinsurance broker shall,-

- (a) while appointing principle officers shall fulfill such fit and proper criteria;
- (b) maintain the eligibility criteria provided in regulation 4 and notify to the Commission immediately if it ceases to fulfill any of the conditions prescribed in the said regulation;
- (c) maintain high standard of integrity and fairness in discharging its functions as a reinsurance broker;
- (d) fulfill its obligations in a fair, efficient, transparent and ethical manner;
- (e) act with due skill, care and diligence in performing all its functions and discharging all its obligations and responsibilities;
- (f) put in place a mechanism to resolve any conflict of interest that may arise in the conduct of its business as reinsurance broker and take reasonable steps to resolve the same in an equitable manner;

- (k) maintain its own website and upload on it among other things a list of its clients and any other information as the Commission deemed appropriate;
- (l) submit periodical financial reports in the manner and Form as specified by the Commission;
- (m) comply with the provisions of the Act, Ordinance and Companies Ordinance, 1984 and rules and regulations made and circulars and directives issued thereunder;
- (n) conduct proper “know your customer (KYC)” and “customer due diligence (CDD)” exercise of the client and ensure compliance with the conditions prescribed in relation to anti-money laundering and counter financing of terrorism under the applicable laws;
- (o) shall not engaged in any other business or activity other than reinsurance business and shall exclusively carry on the business of reinsurance broker for which he is registered under these regulations;
- (p) shall not divert funds within a group of companies or their associates;
- (q) to devise an effective system to address the complaints received from any reinsured, any reinsurer, other reinsurance brokers or any other person on any matter having a bearing on the activities of the reinsurance broker; and
- (r) such other obligation or duties as the Commission may deem fit.

Explanation.__ For the purposes of this regulation the term “conflict of interest” includes situations in which a reinsurance broker has competing interests which make it difficult for the reinsurance broker to fulfill its duties impartially.

10. Functions of a reinsurance broker — A reinsurance broker shall be responsible for any one or more of the following functions, namely:-

- (a) familiarizing itself with the client’s business and risk retention philosophy;
- (b) maintaining clear records of the insurer's business to assist the reinsurer(s) or others;
- (c) rendering advice based on technical data on the reinsurance covers available in the local as well as international reinsurance markets;
- (d) maintaining a database of available reinsurance markets, including solvency ratings of individual reinsurers;
- (e) rendering consultancy and risk management services for reinsurance;
- (f) selecting and recommending a reinsurer or a group of reinsurers;
- (g) negotiating with a reinsurer on the behalf of the reinsured;
- (h) assisting in case of commutation of reinsurance contracts placed with them;

- (i) acting promptly on instructions from a client and providing it written acknowledgements and progress reports;
- (j) collecting and remitting premiums and claims within such time as agreed upon;
- (k) assisting in the negotiation and settlement of claims;
- (l) maintaining proper records of claims;
- (m) exercising due care and diligence at the time of selection of reinsurers and international insurance brokers having regard to their respective financial rating and establishing respective responsibilities at the time of engaging their services; and
- (n) any other function as the Commission may deem appropriate.

11. Requirements of capital — Any applicant seeking registration as a reinsurance broker under these regulations shall satisfy the following conditions:

- (a) it shall have a minimum amount of paid up capital as Rupees Fifty million or any higher amount as may be specified by the Commission;
- (b) the paid up capital in the company shall be in the form of equity shares;

12. Statutory deposit requirements — (1) A reinsurance broker shall before the commencement of its business, deposit and keep deposited with the Bank a sum equivalent to 20 percent of the paid up capital as a statutory deposit, which shall not be released to it by the Bank without prior written permission of the Commission.

(2) A reinsurance broker shall furnish to the Commission as and when called upon to do so a statement certified by the Bank in which such deposit is kept.

13. Maintenance of books of account, records, etc. — (1) A reinsurance broker shall prepare for every accounting year —

- (a) a balance sheet or a statement of affairs as at the end of each accounting period;
- (b) a profit and loss account for that period;
- (c) a statement of cash/fund flow;
- (d) such additional statements on reinsurance broking business as may be required by the Commission.

(2) For the purposes of sub-regulation (1), the accounting year shall be a period of 12 months, or less where a business is started after 1st April, commencing on the first day of the April of the year and ending on the 31st day of March of the year following, and the accounts shall be maintained on accrual basis.

(3) A reinsurance broker shall submit to the Commission, a copy of the audited financial statements as stated in sub-regulation (1) along with the auditor's report thereon within ninety days from the close of the accounting year along with the remarks or observations of the

auditors, if any, on the conduct of the business, state of accounts, etc., and a suitable explanation on such observations shall be appended to such accounts filed with the Commission.

(4) A reinsurance broker shall, within ninety days from the date of the Auditor's report take steps to rectify any deficiencies, made out in the auditor's report and inform the Commission accordingly.

(5) All the books of account, statements, document, etc., shall be maintained at the registered office of the reinsurance broker in Pakistan and shall be available on all working days to such officers of the Commission, authorized in this behalf by it for an inspection.

(6) All the books and documents, statements, contract notes etc., referred to in this regulation and maintained by the reinsurance broker shall be retained for a period of at least ten years from the end of the year to which they relate.

14. Segregation of reinsurance money — (1) In case of all reinsurance contracts, it shall be agreed between the parties specifically or as part of international market practices that whether the reinsurance broker can collect the premium and remit to the reinsurer and/or collect the claims due from the reinsurer to be passed on to the reinsured.

(2) In the circumstances the money collected by the reinsurance broker shall be dealt with in the following manner:

(a) it shall act as the trustee of the reinsurance money that it is required to handle in order to discharge the function as a reinsurance broker and for the purposes of this regulation it shall be deemed that a payment made by the insurer to the reinsurance broker shall be considered as payment made to the reinsurer;

(b) ensure that insurance money is held in an bank account maintained with one or more of the scheduled banks licensed by the Bank or with such other financial institutions as may be approved by the Commission;

(c) give written notice to, and receive written confirmation from, a scheduled bank, or other financial institution as the case may be, that it is not entitled to combine the account with any other account, or to exercise any right of set-off, charge or lien against money in that account;

(d) ensure that all monies received from or on behalf of the reinsured is paid into the bank account for reinsurance purposes and which remains in such reinsurance bank account as a deposit until it is transferred on to the reinsurer or to the reinsured, as the case may be.

(e) ensure that any refund of premium which may become due to a insurer on account of the cancellation of a reinsurance policy or alteration in its terms and conditions or otherwise shall be paid promptly to the insurer.

(f) interest on recovery or payment received shall be for the benefit of the insurer or reinsurer, as the case may be;

(g) only remove from the reinsurance bank account charges, fees or commission earned and interest received from any funds comprising the account;

- (h) take immediate steps to restore the required position if at any time it becomes aware of any deficiency in the required segregated amount.

CHAPTER IV

DISCIPLINARY PROCEEDINGS

15. Restriction or suspension of registration.__ (1) Where a reinsurance broker contravenes or fails to comply with any provision of these regulations or is not in compliance with the conditions of registration or any directive issued or order passed by the Commission, the Commission may, after providing a reasonable opportunity of representation to the reinsurance broker, impose-

- (a) a restriction on its activities as reinsurance broker or suspend its registration; and
- (b) a penalty provided under section 40A of the Act.

(2) A reinsurance broker whose registration has been suspended shall not act as, or perform the functions of, reinsurance broker for any new contract during the period of suspension and remove the cause of suspension within a period of one hundred and twenty days from the receipt of the suspension order or such earlier period as specified in the order of suspension.

(3) The Commission while restricting or suspending the registration of a reinsurance broker may impose such conditions, as it deems appropriate.

16. Cancellation of registration.__ (1) The Commission, after providing to the reinsurance broker a reasonable opportunity of being heard, may cancel the registration of a reinsurance broker, if-

- (a) in the opinion of the Commission the reinsurance broker has been in violation of any provision of these regulations or restriction imposed under sub-regulation (1) of rule 15;
- (b) it is found guilty of fraud or any criminal offence of moral turpitude; or
- (c) its registration has been suspended and the causes of suspension have not been removed within one hundred and twenty days from the receipt of suspension order or such earlier period as specified in the order of suspension.

(2) The Commission while cancelling the registration of a reinsurance broker may take such measures and issue such directions as it deems appropriate as are not inconsistent with the Act, Ordinance and the Companies Ordinance, 1984 (XLVII of 1984).

(3) The registration of a reinsurance broker shall stand automatically cancelled if such reinsurance broker -

- (a) voluntarily surrenders its certificate of registration to the Commission;
- (a) is wound up by an order passed by a court of competent jurisdiction; or

- (b) the reinsurance broker has not commenced the business within six months of being granted a license.

(4) Notwithstanding anything contained in sub-regulation (1), where the Commission is satisfied that a delay in the cancellation of registration of the reinsurance broker will be detrimental to the interest of investors or the public in general, the Commission may immediately cancel the registration of the reinsurance broker till the time an opportunity of being heard is provided to the reinsurance broker and final order is passed:

Provided that where the Commission cancels the registration under sub-regulation (4), the opportunity of being heard and final order must be passed within sixty days of such cancellation.

- (5) Upon cancellation of the registration, the reinsurance broker shall with immediate effect cease its business as a reinsurance broker:

Provided that a reinsurance broker however shall continue to service the contracts already concluded through it for a period of six months within which suitable arrangements shall be made by it for having the contracts attended to by another licensed reinsurance broker.

17. Dissemination of information of cancellation of registration.— In the event of cancellation of registration of a reinsurance broker, the Commission may, for the information of the stakeholders, publish press release of its order of cancellation in newspaper of wide circulation in Pakistan.

18. Power of the Commission to issue directives, circulars etc.—The Commission may, if it is satisfied that it is necessary or expedient so to do in the public interest or in the interest of the insurance market, by order in writing, give such directions or issue circulars, not inconsistent with the Ordinance and these regulations, to reinsurance broker as it may deem fit.

CHAPTER V

INSPECTION OF BOOKS AND RECORD

19. Inspection of reinsurance broker. —The Commission may order inspection of books and record required to be maintained by the reinsurance broker under these regulations on periodic basis or at any time in the interest of investors and insurance market.

20. Procedure for Inspection.— (1) The Commission may by order in writing appoint one or more of its officers as an inspectors to undertake inspection of books of accounts, records and documents of the reinsurance broker for any of the purposes specified in sub-regulation (3).

- (2) The purposes referred to in sub-regulation (1) may be as follows, namely: -

- (a) to ensure that the books of account are being maintained in the manner required;
- (b) to ensure that the provisions of the Ordinance, rules, regulations are being complied with;
- (c) to investigate the complaints received from any reinsured, any reinsurer, other reinsurance brokers or any other person on any matter having a bearing on the activities of the reinsurance broker; and

- (d) to investigate the affairs of the reinsurance broker *suo motu* in the, interest of proper development of insurance and reinsurance business or in policyholders' interest.

(3) Before conducting an inspection under regulation 19, the Commission shall give a notice of ten days to the reinsurance broker for that purpose.

(4) Notwithstanding anything contained in sub-regulation (3), where the Commission is satisfied that in the interests of the policyholders no such notice shall be given, it may, for reasons recorded in writing, direct that the inspection of the affairs of the reinsurance broker be taken up without such notice.

(5) The reinsurance broker shall allow the inspecting authority to have full access to the premises occupied by such reinsurance broker or by any other person on his behalf and also extend all facilities for examining books, records, documents and computer data in the possession of the reinsurance broker.

(6) The inspecting authority, in the course of inspection, shall be entitled to examine or record statements of any principal officer or employee of the reinsurance broker and have the powers to seize or make copies of documents/ records and it shall be the duty of every such person to give to the inspecting authority all assistance in connection with the inspection which the reinsurance broker may reasonably be expected to give.

(7) Failure to comply with the requirements of the Commission in this regard or failure to cooperate with the inspecting officers shall result in suspension of license.

(8) The inspecting authority shall submit an inspection report to the Commission within 90 days of the completion of the inspection.

21. Communication of findings, etc. — (1) The Commission shall, after consideration of the inspection report, communicate its findings to the reinsurance broker and give him a reasonable opportunity of being heard before any action is taken by the Commission on the findings of the inspecting authority.

(2) On receipt of the explanation, if any, from the reinsurance broker, the Commission may direct the reinsurance broker to take such measures as the Commission may deem fit.

22. Appointment of investigator — (1) The Commission may appoint a chartered accountant, an actuary or any qualified and experienced individual in the field of insurance or reinsurance to investigate the books of accounts or the affairs of the reinsurance broker.

Provided that the person so appointed shall have the same powers of the inspecting authority as are mentioned in regulation 24 and the obligations of the reinsurance broker in regulation 24 shall be applicable to the investigation under this regulation.

(2) The expenses and costs of such an investigation shall be recovered by the Commission from the reinsurance broker whose affairs have been caused to be investigated.

CHAPTER VI

MISCELLANEOUS

23. Professional indemnity insurance — (1) A reinsurance broker shall take out and continue to maintain a professional indemnity insurance cover throughout the validity of the period of the license granted to it by the Commission.

- (2) The insurance cover must indemnify the reinsurance broker against:
- (a) any error or omission or negligence on its part or on part of its employees or directors or principal officer;
 - (b) any loss of money or other property for which the reinsurance broker is legally liable in consequence of any financial or fraudulent act or omission;
 - (c) any loss of documents, and such related costs incurred in replacing or restoring such documents;
 - (d) dishonest or fraudulent acts or omissions by its employees or directors, former or current.
- (3) The indemnity cover shall —
- (a) be on a yearly basis for the entire period of license;
 - (b) not contain any terms to the effect that payments of claims depend upon the reinsurance broker having first met the liability;
 - (c) indemnify in respect of all claims made during the period of the insurance regardless of the time at which the event giving rise to the claim may have occurred.

Provided that the indemnity insurance cover not fully conforming to the above requirements shall be permitted by the Commission in special cases for reasons to be recorded by it in writing.

- (4) Limit of indemnity for any one claim and in the aggregate for the year shall be three times remuneration received at the end of every financial year, subject to a minimum limit of Rupees Fifty Million only.
- (5) The uninsured excess in respect of each claim shall not exceed five percent of the paid up capital employed by the reinsurance broker in the business.
- (6) The insurance policy shall be obtained from any registered insurer in Pakistan who has agreed to —

- (a) provide the reinsurance broker with an annual certificate containing the name and address, including the license number of the reinsurance broker, the policy number, the limit of indemnity, the excess and the name of the insurer as evidence that the cover meets the requirements of the Commission;
 - (b) send a duplicate certificate to the Commission at the time the certificate is issued to the reinsurance broker; and
 - (c) inform the reinsurance broker immediately of any case of voidance, non-renewal or cancellation of cover mid-term.
- (7) A reinsurance broker shall—
- (a) inform immediately the Commission should any cover be cancelled or voided or if any policy is not renewed;
 - (b) inform immediately the insurer in writing of any claim made by or against it;
 - (c) advise immediately the insurer of all circumstances or occurrences that may give rise to a claim under the policy ; and
 - (d) inform the Commission as soon as an insurer has notified that it intends to decline indemnity in respect of a claim under the policy.

24. Issuance of a duplicate license — (1) In the event of a license being lost or destroyed or mutilated, the reinsurance broker shall submit to the Commission an application along with a fee of Rupees Fifty Thousand only requesting for the issuance of a duplicate license and with a declaration giving full details regarding the issue of the previous license and its loss or destruction or mutilation.

(2) The Commission, after satisfying itself that the original license has been lost, destroyed or mutilated, shall issue a duplicate license in Form B with an endorsement thereon that it is a duplicate one.

25. Code of conduct — A reinsurance broker shall abide by the Code of Conduct as specified in schedule II. .

26. Submission of half-yearly results — (1) A reinsurance broker shall before 31st October and 30th April each year furnish to the Commission a half-yearly unaudited financial statement containing details of performance, financial position, etc., along with a declaration confirming the fulfillment of requirements of capital in accordance with the provisions of regulation 8 and deposit requirements in accordance with the provisions of regulation 9.

(2) Failure to comply with the sub-regulation (1) shall lead to an action, in accordance with the provisions of regulation 34, being taken against the reinsurance broker.

27. Internal control and systems — A reinsurance broker shall ensure that a proper system of internal audit is practiced in business and that its internal controls and systems are adequate for the size, nature and complexity of his business.

28. **Disclosures to the Commission** — (1) A reinsurance broker shall disclose to the Commission, as and when required by it, in any event not later than thirty days of a requisition, the following information, namely—

- (a) its responsibilities with regard to the placement of a reinsurance contract;
- (b) any change in the information or particulars previously furnished, which have a bearing on the license granted to it;
- (c) the names of the clients whose reinsurance portfolio it manages or has managed;
- (d) any other requirement specified by the Commission from time to time.

Bushra
6/11/15

(Bushra Aslam)
Secretary to the Commission

Securities and Exchange Commission (Reinsurance Brokers) Regulations, 2015
SCHEDULE I
[See regulations 6 and 13]

SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

APPLICATION FOR GRANT/ RENEWAL OF REGISTRATION

Instructions for filling up the form

1. *It is important that before this application form is filled in, the regulations made by the Commission are studied carefully.*
2. *Applicants must submit a duly completed application form together with all appropriate, supporting documents to the Commission.*
3. *Application for license will be considered only if it is complete in all aspects.*
4. *The application shall be signed by at least two directors of the reinsurance broker themselves.*
5. *Information which needs to be supplied in more details may be given on separate sheets which should be attached to the application form.*

1. PARTICULARS OF THE APPLICANT

NAME OF THE APPLICANT	
REGISTERED ADDRESS	
OFFICE ADDRESS	
INCORPORATION NO.	
NTN NO.	
TELEPHONE NO.	
FAX NO.	
EMAIL ADDRESS	

2. PARTICULARS OF THE PRINCIPAL OFFICER(S)

NAME	
ADDRESS	
CNIC/ PASSPORT NO.	
TELEPHONE NO.	
MOBILE NO.	
FAX NO.	
EMAIL ADDRESS	

3. ORGANISATION STRUCTURE

List of major shareholders (holding 5% or more of the Applicant directly or along with associates)

Shareholding as on (dd/mm/yyyy): _____

S.No	Name of shareholder	No. of Shares held	% age of total paid up capital

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4. PARTICULARS OF ALL DIRECTORS

S.No	Name	Qualification	Experience in reinsurance broking services and related areas	Share in Applicant Company	Directorship in other companies

5. NAME AND ACTIVITIES OF ASSOCIATED COMPANIES/ CONCERNS

S.No	Name of Company/ Firm	Address	Type of activity handled	Nature of Interest of Promoter/ Director	Nature and interest of applicant company

6. WHETHER ANY ONE OR MORE PERSONS OF THE ASSOCIATED COMPANIES/ CONCERNS ARE INTERESTED IN THE APPLICANT'S BUSINESS? IF YES, PROVIDE DETAILS

7. NAME AND ADDRESS OF THE PRINCIPAL BANKERS OF THE APPLICANT

8. NAME AND ADDRESS OF THE STATUTORY AUDITORS

9. BUSINESS INFORMATION

- i. If this is a new business and the reinsurance broker's license application has been made for the first time, please provide a three-years business plan document, with projected volume of activities and income for which license is sought.
- ii. Please provide the organization chart separately showing functional responsibilities.
- iii. Please provide the particulars of key management personnel as per below:

S.No	Name	Qualification	Experience with particular reference to reinsurance broking and related activities	Date of appointment	Functional areas

- iv. Please provide the details of infrastructure like office space, equipment and manpower (other than mentioned above) available with the applicant

- v. Provide the details of experience in reinsurance broking and other relevant services. Experience outside Pakistan can also be included in this information.
- vi. Provide the details of business handled during the last three years and list of reinsurers with whom more than ten percent of the total reinsurance premium handled, was placed.

S.No	Name	Premium handled		Services Rendered
		Amount (in Pak Rupees)	Percentage of total premium handled by broker	

- vii. Any other information considered relevant to the nature of services rendered by the applicant.

4. FINANCIAL INFORMATION

4.1 Capital Structure (In Pak Rupees in Million)

	Capital Structure	Year prior to the preceding year of current year	Preceding year	Current year
a	Authorized Capital and issue capital			
b	Paid-up capital			
c	Free reserves (excluding re-valuation reserves)			
d	Total (b + c)			

4.2 Deployment of Resources (In Pak Rupees in Million)

Particulars	Year prior to the preceding year of current year	Preceding year	Current year
Fixed Assets			
Plant & Machinery			
Office Equipment			
Quoted Investments			
Unquoted Investments			
Details of Liquid Assets			
Others			

(Details of Investments, Loans & Advances made to Associate Companies/ Firms where Promoters/ Directors have an interest is to be separately given).

4.3 Major Sources of Income (In Pak Rupees in Million)

Particulars	Year prior to the preceding year of	Preceding year	Remuneration received as % of premium
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	current year		
Reinsurance remuneration			
Consultancy & Advisory fees			
Investment Income			
Others			

Note: As remuneration received by the reinsurance broker may vary from risk to risk, please indicate range within which remuneration has been received.

4.4 Income and Profit Before Tax (In Pak Rupees in Million)

Particulars	Year prior to the preceding year of current year	Preceding year	Current year
Income Profit Before Tax			

4.5 Dividend (In Pak Rupees in Million)

Particulars	Year prior to the preceding year of current year	Preceding year	Current year
Amount			
Percentage			

Note: Enclose three years audited annual accounts. If minimum capital requirement has been met after last audited annual accounts, audited statement of accounts for the period ending on a later date should also be submitted.

OTHER INFORMATION

Details, if any, of known economic offences done by the Applicant or its Directors, Principal Officers or Key Managerial Personnel, in the last three years.

DECLARATION

Note: THIS DECLARATION IS TO BE SIGNED BY AT LEAST TWO DIRECTORS OR ONE DIRECTOR AND PRINCIPAL OFFICER OF THE APPLICANT.

We hereby apply for license. We have gone through the Securities and Exchange Commission (Reinsurance Brokers) Regulations, 2015 and are satisfied that we are eligible to apply for the reinsurance broker's license.

We state that we have truthfully and completely answered the questions above and provided all the information which might reasonably be considered relevant for the purposes of the license.

We declare that the information supplied in the application form is complete and correct.

We undertake that we shall not allow or offer to allow, either directly or indirectly, as an inducement to any person, any rebate of the whole or part of the remuneration earned by us during the license period.

We undertake to service the run-off business on the books at the time of cancellation or non0renewal of license.

For and on behalf of the <INSERT HERE THE NAME OF THE REINSURANCE BROKER LICENSE APPLICANT>

Signature and Name of the Principal Officer/ Director of the Applicant	Signature and Name of the Principal Officer/ Director of the Applicant
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Date : <dd/mm/yyyy>

Place : <City>,Pakistan

Securities and Exchange Commission (Reinsurance Brokers) Regulations, 2015
Schedule II
[see regulations 11 & 16]

SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

GRANT OF REGISTRATION (RENEWAL) CERTIFICATE

1. In exercise of the powers conferred by Regulation ____ of the Securities and Exchange Commission (Reinsurance Brokers) Regulations, 2015, the Commission hereby grants (renews) this registration certificate to the <INSERT HERE THE NAME OF THE REINSURANCE BROKER LICENSE APPLICANT> to act as a Reinsurance Broker.
1. This certificate shall be valid from <dd/mm/yyyy> to <dd/mm/yyyy>.
2. This certificate is subject to the Insurance Ordinance, 2000 (XXXIX of 2000), Securities and Exchange Commission of Pakistan Act, 1997 (XLII of 1997) and the Securities and Exchange Commission (Reinsurance Brokers) Regulations, 2015, and shall not be construed to be in compliance with or in conformity to any other law, rules or regulations.

By Order

For and on behalf of
Securities and Exchange Commission of Pakistan

Date : <dd/mm/yyyy>

Place : <City>, Pakistan

Securities and Exchange Commission (Reinsurance Brokers) Regulations, 2015
SCHEDULE III
[see regulation 18]

SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

REGISTRATION (RENEWAL) FEES FOR REINSURANCE BROKERS

1. An applicant before being registered as a reinsurance broker shall pay a registration fee of Rupees Five Hundred Thousand only to the Commission.
2. The registration fee as prescribed above shall be paid to the Commission through a deposit made at any one of the designated branches of a scheduled bank nominated by the Commission for this purpose, prior to the submission of registration application to the Commission under these Regulations.
3. A reinsurance broker at the time of renewal of registration shall pay the registration fee calculated as a sum at the rate of 0.50% of the total gross remuneration earned during preceding three financial years, subject to a minimum of Rupees Five Hundred Thousand on every renewal.
4. The registration fee shall be paid before submitting the application to the Commission and such application shall be accompanied by evidence that the registration fee has been paid.