

GOVERNMENT OF PAKISTAN
SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

NOTIFICATION

Islamabad, 21st June, 2016

S.R.O. 5631/2016.- The following draft amendments in the Insurance Companies (Sound and Prudent Management) Regulations, 2012 which are proposed to be made by the Securities and Exchange Commission of Pakistan in exercise of the powers conferred by clause (f) of sub-section (1) of section 7, section 12 and sub-section (3) of section 167 of the Insurance Ordinance, 2000 (XXXIX of 2000) read with section 40 of the Securities and Exchange Commission of Pakistan Act, 1997 (XLII of 1997) are hereby published for the information of all the persons likely to be affected thereby and notice is hereby given that comments, if any, received within thirty days of the date of this notification will be taken into consideration.

DRAFT AMENDMENTS

In the aforesaid Regulations,-

(1) In Regulation 3, under the heading 'Financial Soundness',-

(a) for clause (a) the following new clauses shall be inserted, namely:-

“(a) a proposed director or chief executive or principal officer shall submit an affidavit to the Commission affirming under the oath that the person and the companies, firms, sole proprietorship etc. where the person is a chief executive, director (other than nominee director), owner or partner etc. have no overdue payment of any financial institution.

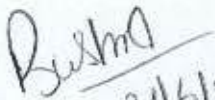
Provided that in case of overdue in CIB report, no rejection shall be made unless the person has been given opportunity of making a representation before the approving authority.

(b) a proposed director or chief executive or principal officer shall not be considered as a fit and proper if any overdue/past due payment to a financial institution, irrespective of amount, is appearing in the overdue column of latest CIB report of the person and of the companies, firms, sole proprietorship etc. where the person is a chief executive, director (other than nominee director), owner or partner etc.:

Provided that the following exceptions may be granted by the Commission for the purpose of this sub-clause in case where:

- (i) Amount overdue is under litigation and the same is also appearing as amount under litigation in the CIB report; or
- (ii) No overdue payment appearing in the overdue column in the subsequent latest CIB report.
- (c) a director or chief executive or principal officer subject to fit and proper criteria shall report any change with reference to his/her financial soundness to the insurer within three business days and the insurer shall within a period of seven business days report the same to the Commission"; and
- (b) the existing clause (b) and clause (c) shall be rephrased as clause (d) and clause (e) respectively;
- (2) In Annexure B,- after item No. 3 the following new item shall be inserted, namely:-
- "3A. That I undertake that I and the companies, firms, sole proprietorship etc. where I am a chief executive, director (other than nominee director), owner or partner etc. have no overdue payment of any financial institution."

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(Bushra Aslam) 24/6/16
Secretary to the Commission