



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

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Circular NO 5 of 2007

No.ID/IO/Misc/2007

May 28, 2007

Subject: **Undertaking Insurance Business in Pakistan By Foreign Companies.**

In the interest of consistency and uniformity in the Foreign Investment Policy governing various service sector and to make the environment more conducive for attracting foreign investment in the Insurance Sector, the Government has allowed 100% foreign equity in the insurance business in Pakistan subject to the following conditions: -

- i. Foreign companies shall be required to bring a minimum amount of US\$ 4 million but not less than US\$ 2 million shall come from abroad.
- ii. There shall be no restriction on the number of branches; and
- iii. There shall be no restriction on foreign insurance companies as to whom they shall employ. They shall be given national treatment in extending all the facilities as enjoyed by local companies.

Furthermore, the Federal Government has recently enhanced the minimum paid up capital requirement from the existing level of Rs. 150 million to Rs. 500 million for life/family takaful operators and from Rs. 80 million to Rs. 300 million for non-life/general takaful operators.

Since every insurer is required to comply with all the conditions including without limitation the minimum paid up capital requirement and the revised paid up capital requirements are higher than US \$ 4 million, the foreign investors shall be required to bring in minimum paid up capital of Rs. 500 million in case of life/family takaful and Rs. 300 million in case of non-life/general takaful.

(Shoaib Soofi)
Director

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