

Before Amir M. Khan Afridi, Director/HOD (Adjudication-I)

In the matter of Show Cause Notice issued to Pakistan Reinsurance Company Limited

Dates of Hearing

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**Order-Redacted Version**

Order dated February 25, 2022 was passed by Director/Head of Department (Adjudication-I) in the matter of Pakistan Reinsurance Company Limited. Relevant details are given as hereunder:

<b>Nature</b>	<b>Details</b>
1. Date of Action	Show cause notice dated June 14, 2021.
2. Name of Respondent	Pakistan Reinsurance Company Limited (the Company)
3. Nature of Offence	<u>Alleged contraventions of Section 11(3) of the Insurance Ordinance, 2000 (the Ordinance) and rule 8 of the Insurance Rules, 2017 (the Rules) read with Section 156 of the Ordinance.</u>
4. Action Taken	<p>Key findings were reported in the following manner:</p> <p>I have examined the facts of the case in light of the applicable provisions of the law and written submissions of the Respondent Company. The definition of "insurance" as provided under Section 2(xxvii) explicitly includes reinsurance and retrocession in insurance business and the Company is an insurer in term of Section 2(xxxi) of the Ordinance. Moreover, the law does not provide for any exemption to the Company from fulfilling the requirement of Section 11(3) of the Ordinance read with rule 8 of the Rules. Therefore, it was one of the statutory obligations of the Company to pay ASF by the due date. However, the Company did not comply with the mandatory requirements of Section 11 (3) of the Ordinance read with rule 8 of the Rules.</p> <p>Keeping in view the fact that the Company has now deposited the entire outstanding ASF amounting to Rs.2.1 million for the years from 2001 to 2021, therefore, I hereby conclude the proceedings without any monetary penalty. The Respondent Company is however, warned to ensure timely compliance with all the applicable regulatory requirements including deposition of ASF by the due date.</p>
5. Penalty Imposed	Warning

6. Current Status of Order	No Appeal has been filed by the respondent.
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