



PRESS RELEASE

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For immediate release

SECP issued draft Reinsurance Brokers Regulation, 2015 for eliciting public opinion

ISLAMABAD, November 11: The Securities and Exchange Commission of Pakistan (SECP) has issued draft Securities and Exchange Commission (Reinsurance Brokers) Regulations, 2015 for eliciting public opinion through S.R.O No. 1091(I)/2015 dated 6th November, 2015.

Reinsurance broking refers to the arrangement of business of reinsurance between the direct insurance company and the reinsurer. The current regulatory framework for insurance brokers encompasses the regulation of only "direct" insurance brokers. Whereas the reinsurance brokers are not recognized by the existing insurance regulatory framework.

The reinsurance brokers have been proposed to be regulated in terms of registration with SECP, the minimum paid-up capital requirements, the minimum statutory deposits, professional indemnity insurance, and fit and proper criteria for the directors and key officers of the brokers. Moreover, the draft regulations address the key areas such as duties and responsibilities of reinsurance brokers, segregation of reinsurance money, disciplinary proceedings and inspection of books and records.

It is expected that these regulations will bring the unregulated area of reinsurance broking under the regulatory ambit of the Commission with the aim of improving the conduct and practice of such business, generate fair share of applicable taxes for the government and creating employment opportunities in Pakistan.