



# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

## **PRESS RELEASE**

For immediate release

June 18, 2019

### **SECP to reduce outflow of foreign exchange pertaining to reinsurance business**

**ISLAMABAD, June 18: ISLAMABAD, June 18:** The Securities and Exchange Commission of Pakistan (SECP), held a roundtable to discuss measures to reduce outflow of foreign exchange pertaining to reinsurance business through optimizing local risk retention.

The representatives of the State Bank, private sector non-life insurance companies and public sector non-life insurer attended the roundtable. The participants were apprised of the fact that a growing trend has been witnessed in the export of reinsurance premium abroad, which has direct impact on the outflow of foreign exchange of the country.

The Securities and Exchange Commission of Pakistan (SECP), held deliberation with stakeholders to reduce outflow of foreign exchange pertaining to reinsurance business through optimizing local risk retention.

The representatives of the State Bank, private sector non-life insurance companies and public sector non-life insurer attended the roundtable held in Karachi. The representative of the insurance industry were apprised of the fact that a growing trend has been witnessed in the export of reinsurance premium abroad, which has direct impact on the outflow of foreign exchange of the country.

The meeting discussed various measures and suggestions for reducing foreign exchange outflow, such as formation of a new local reinsurance company, formulation of quantitative reinsurance program, retention policy, enhance paid-up capital requirements, obligatory minimum cession requirements, development of online local underwriting portal for sharing of risks among insurers, policy formulation on fronting and constitution of reinsurance expert committee were deliberated upon to increase the retention of reinsurance premium within the country.

The participants appreciated the SECP's consultative approach and suggested that similar consultation sessions with the insurance industry may be organized on a regular basis. In order to have better understanding between private and public sector insurers, the public sector insurer agreed to hold frequent sessions with private insurers. The SECP agreed to take such immediate steps, which are helpful in reducing the outflow of foreign exchange from the country.