

BILL NO. _____ OF 2020

A

BILL

to further amend the Insurance Ordinance, 2000

WHEREAS it is expedient to amend the Insurance Ordinance, 2000 (XXIX of 2000), for purposes hereinafter appearing;

It is hereby enacted as follows:-

1. Short title and commencement.- (1) This Act shall be called the Insurance Ordinance (Amendment) Act, 2020.

(2) It shall come into force at once.

2. Amendment of section 2, Ordinance XXXIX of 2000.— In the said Ordinance, in sub-section (1),-

(a) for clause (ii), the following shall be substituted, namely:-

“(ii) “appointed actuary” means an independent and external actuary, not being an employee of the insurer, required to be appointed by an insurer pursuant to the provisions of section 27 of this Ordinance;”;

(b) in clause (iii),-

(i) after the words, “port of Karachi”, the words, “or on behalf of the authorities of the Port of Gawadar or Port Qasim or any other port authority” shall be inserted; and

- (ii) for the words “Federal Government” appearing for the third time, the word “Commission” shall be substituted;
- (c) in clause (v), for the expressions “section 254 of the Companies Ordinance, 1984 (XLVII of 1984)”, the expressions “section 247 of the Companies Act, 2017 (XIX of 2017)” shall be substituted;
- (d) for clause (vi), the following shall be substituted, namely:-
- “(vi) “authorised person” means in the case of a company or a body corporate, means a director, the chief executive, (by whatever name called) and the company secretary or in the case of insurers being a company or body corporate incorporated outside Pakistan, the closest comparable equivalent thereto, under the laws of the place of incorporation of such foreign company or body corporate;”;
- (e) after clause (vi) substituted as aforesaid, the following new clause (via) shall be inserted:
- “(via) “authorised surveying officer” means a person (by whatever name called) who examines the goods, property or any interest insured and documentary evidence under a contract of non-life Insurance to express an independent opinion as to the cause, extent, location, circumstances and amount of any loss incurred or claimed to be incurred under that contract and may also undertake surveys for pre-insurance and post-insurance inspection and/or assess the value and quantum of building, machinery, stocks and other subject matters;”;
- (f) for clause (vii), the following shall be substituted, namely:-

“(vii) “banking company” shall have the same meaning as assigned to it in clause (c) of section 5 of the Banking Companies Ordinance, 1962 (LVII of 1962);”;

(g) for clause (viii), the following shall be substituted, namely:-

“(viii) “base rate” means the State Bank of Pakistan Overnight Reverse Repo (Ceiling) Rate notified by the State Bank of Pakistan from time to time;” ;

(h) after clause (ix), the following new clause (ixa) shall be inserted, namely:-

“(ixa) “body corporate” shall have the same meaning as assigned to it in clause (9) of sub-section (1) of section 2 of the Companies Act, 2017 (XIX of 2017);”;

(i) for clause (x), the following shall be substituted namely:-

“(x) “borrower” shall have the same meaning as assigned to the term “customer” in clause (c) of section 2 of the Financial Institutions (Recovery of Finances) Ordinance, 2001 (XLVI of 2001)”;

(j) In clause (xi), after the word “insurer” appearing for the first time, the words “or a reinsurer” shall be inserted, and after the word “insurer” appearing for the second time, the expression “or reinsurer,” shall be inserted;

(k) for clause (xiv), the following shall be substituted namely:-

“(xiv) “company” shall have the same meaning as assigned to it in clause (17) of sub-section (1) of section 2 of the Companies Act, 2017;”

- (l) after clause (xiv) substituted as aforesaid, the following new clause (xiva) shall be inserted:

“(xiva) “company law” has the meaning assigned to it in clause (18) of subsection (1) of section 2 of the Companies Act, 2017;”

- (m) in clause (xvi), for the expressions “section 7 of the Companies Ordinance, 1984 (XLVII of 1984)”, the expressions “section 5 of the Companies Act, 2017 (XIX of 2017)” shall be substituted;

- (n) clause (xvii) shall be omitted;

- (o) for clause (xxiii), the following shall be substituted namely:-

“(xxiii) “eligible person” means the persons specified in section 5 of this Ordinance;”;

- (p) for clause (xxiv), the following shall be substituted, namely:-

“(xxiv) “finance” shall have the same meaning as assigned to the term in clause (d) of section 2 of the Financial Institutions (Recovery of Finances) Ordinance, 2001 (XLVI OF 2001) excluding clause (iv), (v), (vi) and (vii);”;

- (q) after clause (xxiv) amended as aforesaid, the following new clause (xxiva) shall be inserted:

“(xxiva) “financial institution” has the meaning assigned to the term in clause (a) of section 2 of the Financial Institutions (Recovery of Finances) Ordinance, 2001 (XLVI of 2001);”

(r) in clause (xxv), for the expression “Securities Act, 1920 (X of 1920)”, the expression “Public Debt Act, 1944 (XVIII of 1944)” shall be substituted;

(s) after clause (xxvi), the following new clauses shall be inserted, namely:-

“(xxvia) “index based insurance or parametric insurance” means a contract of insurance whereby in consideration of a premium received, an insurer or a group of insurers promises to make payment to a person or a group of persons, based on a predetermined index or parameter and make payments of claims against losses arising from weather, catastrophic events, without assessment of each individual insurance claim:

Provided that the scope of index based insurance in this Ordinance does not include life insurance business and accident and health insurance business:

Provided further that the first proviso shall not restrict the issuance of a life insurance policy or a non-life insurance policy to the individuals covered under the index based insurance cover, by utilizing the information, data, arrangements and/or infrastructure of the index based insurance scheme and that the coverage shall be through a separate policy;

“(xxvib) “insurable interest” means the interest that a person has in a life insured or in a property (or asset) which is insured. A person has an "insurable interest" in something when loss or damage to it would cause that person to suffer a financial loss or certain other kinds of losses. Person who buys a policy must have an insurable interest in the subject of the insurance;”

(t) in clause (xxvii),-

(i) after the words, “payment to another person”, the expressions “, being the policyholder having insurable interest,” shall be inserted;

(ii) in proviso, after the words, “deemed to be a contract of insurance” the expression “between two parties,” shall be inserted;

(iii) in the first proviso, for the semi colon, a colon shall be substituted and thereafter the following new proviso shall be inserted, namely:-

“Provided further that index based insurance, as defined in this Ordinance, shall be deemed to be a contract of insurance;”

(u) in clause (xxviii), for the words “carrying on the business of insurance broking”, the expression “who, as an independent person, carries on insurance broking business” shall be substituted;

(v) in clause (xxx) for the words, “the Federal Government” the words “the President” shall be substituted;

(w) after clause (xxx) amended as aforesaid, the following new clause (xxxxa) shall be inserted, namely:-

“(xxxxa) “Insurance self-network platform” means an electronic platform set up by a person with a view to conducting insurance e-commerce activity i.e. to engage in sales of insurance products or policy servicing or providing other related services through usage of electronic means such as website or mobile application;”

(x) in clause (xxxii),-

(i) in sub-clause (i),-

(I) after the words “in Pakistan” the expression “ and duly licenced under the provisions of this Ordinance” shall be inserted;

(II) the word “and” appearing at the end, shall be omitted;

(ii) in sub-clause (ii),-

(I) after the words “outside Pakistan”, the expression “, duly licenced under the provisions of this Ordinance,” shall be inserted;

(II) for the full stop at the end , the expression “; and” shall be substituted;

(iii) after sub-clause (ii), amended as aforesaid, the following new sub-clause (iii) shall be inserted, namely:-

“(iii) a branch office of a company or a body corporate incorporated outside Pakistan, which is allowed to undertake insurance business, in the jurisdiction in which it is incorporated, duly licenced under the provisions of this Ordinance;”

(y) After clause (xxxii) amended as aforesaid, the following new clauses shall be inserted:

“(xxxia) “InsurTech” means the variety of emerging technologies and innovative business models that have the potential to transform insurance business and encompasses technologically enabled financial innovation that results in new business models, applications, processes, or products with an

associated material effect on the insurance industry and the provision of insurance services and shall include but not limited to distributed ledger technology or block chain, artificial intelligence and big data analytics;”

“(xxxib) “internal actuary” means an actuary required to be employed by an insurer who shall be responsible for performing the duties and responsibilities assigned under this Ordinance;”

(z) in clause (xxxiv), for the words, “a banking company”, the words “a financial institution” shall be substituted;

(aa) for clause (xxxvi), the following shall be substituted, namely:-

“(xxxvi) “loan” means a loan, advance and credit, whether based on system of interest or otherwise, extended by an insurer or a reinsurer to any person, whether in money or in kind, which is to paid back to the insurer or the reinsurer, as the case may be, within in a specified time;”

(bb) clause (xxxvii) shall be omitted;

(cc) after clause (xxxviii), the following new clauses shall be inserted, namely:-

“(xxxviiiia) “micro-insurance business” means provision of micro-insurance services in Pakistan;

“(xxxviiiib) “micro-insurance services” means insurance, either on individual or group basis, that meet their need for risk protection, savings or investments and relief against distress, misfortune or contingent event for defined benefit levels subject to the maximum amounts of sum cover and/or premium as may be specified by the Commission;”

- (dd) in clause (xxxix), the expressions, “being a company incorporated under the law of Pakistan or any country or state other than Pakistan,” shall be omitted;
- (ee) clause (xl) shall be omitted;
- (ff) in clause (xli), for the expressions, “clause (24) of sub-section (1) of section 2 of the Companies Ordinance, 1984 (XLVII of 1984)”, the expressions “clause (45) of sub-section (1) of section 2 of the Companies Act, 2017 (XIX of 2017)” shall be substituted;
- (gg) after clause (xli), amended as aforesaid, the following new clauses shall be inserted, namely:-
- “(xlia) “operator” means a takaful operator or a window takaful operator, authorized under this Ordinance;
- “(xlib) “Other insurance intermediaries” mean such intermediaries associated with the business of insurance as may be notified under section 114C of this Ordinance, except agents, insurance brokers, reinsurance brokers, third party administrators and insurance surveyors;”;
- (hh) clause (xlii) shall be omitted;
- (ii) in clause (l), for the expressions “clause (28) of sub-section (1) of section 2 of the Companies Ordinance, 1984 (XLVII of 1984)”, the expressions “clause (49) of sub-section (1) of section 2 of the Companies Act, 2017 (XIX of 2017)” shall be substituted;

(jj) in clause (li), for the expressions “clause (30) of sub-section (1) of section 2 of the Companies Ordinance, 1984 (XLVII of 1984)”, the expressions “clause (52) of sub-section (1) of section 2 of the Companies Act, 2017 (XIX of 2017)” shall be substituted;

(kk) after clause (lii), the following new clauses shall be inserted, namely:-

“(liia) "reinsurance broker" means a company incorporated under the company law or a body corporate incorporated outside Pakistan, engaged in the business of reinsurance broking;

“(liib) “reinsurance brokerage” means an arrangement wherein a reinsurance broker, based on a remuneration, arranges reinsurance coverage for direct insurers with other insurers or reinsurers;

“(liic) “reinsurer” means a person whether incorporated in Pakistan or outside Pakistan who carries on reinsurance business in Pakistan and includes a retakaful operator;”;

(ll) after clause (lv), the following new clause (lva) shall be inserted, namely:-

“(lva) “retakaful” means an arrangement in compliance with the principles of Islamic Shariah for mutual risk sharing of takaful risks;”;

(mm) after clause (lix), the following new clause (lixa) shall be inserted, namely:-

“(lixa) “specified” means specified through regulations made by the Commission under this Ordinance;”

(nn) clause (lx) shall be omitted;

(oo) in clause (lxii), for expressions, “clause (38) of sub-section (1) of section 2 of the Companies Ordinance, 1984 (XLVII of 1984)”, the expression “clause (68) of sub-section (1) of section 2 of the Companies Act, 2017 (XIX of 2017)” shall be substituted;

(pp) for clause (lxiii), the following shall be substituted, namely:-

“(lxiii) “surveyor” means a person (by whatever name called) who examines the goods, property or any interest insured and documentary evidence under a contract of non- life insurance to express an independent opinion as to the cause, extent, location, circumstances and amount of any loss incurred or claimed to be incurred under that contract. A surveyor may also undertake surveys for pre-insurance and post-insurance inspection and/or assess the value and quantum of building, machinery, stocks and other subject matters;”;

(qq) in clause (lxiv), after the words “for that purpose”, at the end, the words “and includes retakaful” shall be inserted;

(rr) after clause (lxiv) amended as aforesaid, the following new clauses shall be inserted, namely:-

“(lxiva) “takaful operator” means an insurer who is licenced by the Commission under this Ordinance to carry on takaful business only;

“(lxivb) “third party administrator” means a person who is engaged for a fee or remuneration in accordance with an agreement with an insurer or a self-funded pool for the provision of third party administrator services;

“(lxivc) “third party administration business” means business of administration of health insurance related services for an insurer, in

accordance with an agreement between the insurer and a third party administrator or the administration of health related services for a self-funded pool, in accordance with an agreement between the self-funded pool and the third party administrator;”;

- (ss) in clause (lxv), the word “and” appearing at the end, shall be omitted;
- (tt) in clause (lxvi), for the full stop at the end the expression “; and” shall be substituted;
- (uu) after clause (lxvi), the following new clause (lxvia) shall be inserted, namely:-

“(lxvia) “window takaful operator” means an insurer licenced by the Commission under this Ordinance to carry on takaful business as window operations in addition to conventional insurance business.”.

3. Amendment of section 3, Ordinance XXXIX of 2000.— In the said Ordinance, in the said section 3,-

- (a) in sub-section (2), in clause (g), after the words “investment contract”, the words “which contains minimum life insurance element as may be specified” shall be inserted; and
- (b) after sub-section (6), the following new sub-section (7) shall be inserted, namely:-

“(7) The principle of division of insurance business into life and non-life insurance business provided in this section shall *mutatis mutandis* apply on micro-insurance and reinsurance businesses.”.

4. Amendment of section 4, Ordinance XXXIX of 2000.— In the said Ordinance, in the said section 4,-

(a) in sub-section (1), in clause (b), for the words “capital redemption business”, the words “life contingent annuity business” shall be substituted;

(b) in sub-section (2),-

(i) for clause (b), the following shall be substituted, namely:-

“(b) “life contingent annuity business” means effecting and carrying out contracts of life insurance providing fixed benefit at predefined intervals to the policyholder till the continuation of life of the policyholder and/or survival of the policyholder and/or beneficiary:

Provided that nothing in the definition provided above shall limit a life insurer to provide minimum or maximum term for benefit in the life contingent annuity products that it offers.”;

(ii) in clause (d),-

(I) in sub-clause (i), after the word “sustaining”, the word “any” shall be inserted;

(II) in sub-clause (ii), after the words “accident or disease”, the words “or sickness” shall be inserted;

(III) for sub-clause (iii), the following shall be substituted, namely:-

“(iii) suffering loss, including medical expenses incurred, attributable to accident, disease, sickness or infirmity;”;

(c) in sub-section (3), in clause (a),-

- (i) in sub-clause (iii), for the words, “motor third party compulsory business”, the expressions “motor business (including motor own damage and third party compulsory business)” shall be substituted;
- (ii) in sub-clause (vii), the word “and” occurring at the end, shall be omitted;
- (iii) after sub-clause (viii), a new sub-clause (viiiia) shall be inserted, namely:-

“(viiiia) class 8A being engineering business; and”;

(d) in sub-section (4),-

(i) in clause (b),-

- (I) in sub-clause (i), for paragraph (a), the following shall be substituted, namely:-
- (II) after the word, “including”, the words “motor vehicles and” shall be omitted and after the words, “and aircraft”, the words, “but excluding motor vehicles” shall be inserted;

(ii) for clause (c), the following shall be substituted, namely:-

“(c) “motor business” means effecting and carrying out contracts of insurance against loss to the policy holder arising from-

- (i) theft or damage to the motor vehicle through any means; and
 - (ii) liabilities incurred to third parties arising out of or in connection with the use of motor vehicles on land, as specified in the Motor Vehicles Act, 1939 (IV of 1939);”
- (iii) in clause (d), for the words “or class 5”, the expression, “, class 5 or class 8A” shall be substituted;
- (iv) in clause (g),-
 - (I) in sub-clause (i), after the word “sustaining”, the word “any” shall be inserted;
 - (II) in sub-clause (iii), after the words “of a disease”, the words “or sickness” shall be inserted;
 - (III) in sub-clause (iv), after the words “medical expenses”, the word “incurred” and after the words “attributable to”, the expression “disease,” shall be inserted;
- (v) in clause (h), after the words “including crops”, the expression “, livestock, tractors or other properties which are based on agricultural input” shall be inserted;
- (vi) after clause (h), amended as aforesaid, the following new clause (ha) shall be inserted:

“(ha) “engineering business” means effecting and carrying out contracts of insurance against loss to the policyholder arising from risks faced by ongoing construction projects, installation projects, and machines and equipment in project operation which includes but not limited to contractors all risk insurance and erection all risk insurance;”;

- (e) in sub-section (5), for the word “rules” the word “regulations” and for the word “prescribe” the word “specify” shall be substituted and after the words “may be divided”, the expression “or where a new class of business is notified under sub-section (7)” shall be inserted;
- (f) in sub-section (6), for the words “Federal Government”, the words “Commission”, for the word “rules”, the word “regulations”, for the word “prescribe” the word “specify” and for the word “prescribed” the word “specified” shall be substituted;
- (g) after sub-section (6), following new sub-sections (7) and (8) shall be inserted, namely:-

“(7) The Commission may, by regulations, specify any new class of business in addition to the classes of business as set out in sub-section (1) or sub-section (3) and for such purpose define such business.

(8) The classes of business for life insurance and non-life insurance business as provided in this section shall apply *mutatis mutandis* on microinsurance and reinsurance businesses.”.

5. Amendment of section 5, Ordinance XXXIX of 2000.— In the said Ordinance, in the said section 5,-

- (a) in the marginal heading, in Part II, after the words “INSURERS”, the expression, “MICROINSURERS, TAKAFUL OPERATORS, REINSURERS AND INSURANCE INTERMEDIARIES” shall be inserted;
- (b) for section 5, the following shall be substituted, namely:-

“5. Eligible persons.- (1) From the effective date of coming into effect of this Insurance Ordinance (amendment) Act, 2020, no person other than:

- (a) a public company formed and registered under the company law; or
- (b) a body corporate as defined in this Ordinance;

shall underwrite any insurance, microinsurance and/or reinsurance business in Pakistan:

Provided that after the effective date of coming into effect of this amendment, only the eligible persons stated at clause (a) of this section, shall be eligible to commence insurance, microinsurance or reinsurance business in Pakistan.

(2) In the case of insurance business or reinsurance business, a branch office of a company or a body corporate incorporated outside Pakistan, which is allowed to undertake insurance business or reinsurance business, as the case may be, in the jurisdiction in which it is incorporated, shall also be eligible to undertake insurance or reinsurance business in Pakistan, as the case may be.

(3) In the case of reinsurance business, a person who is registered or authorized to undertake reinsurance business outside Pakistan, i.e. a foreign reinsurer, shall also be eligible to undertake reinsurance business in Pakistan.

(4) In the case of takaful business, no person other than a licenced insurer duly licenced by the Commission to transact takaful business shall be eligible to transact takaful business in Pakistan.

(5) In the case of insurance broking business or reinsurance brokerage business, no person other than a company formed and registered under the company law, shall be eligible to be licensed as an insurance broker or as a reinsurance broker, as the case may be.

Provided that in the case of reinsurance brokerage business, a branch office of a company or a body corporate incorporated outside Pakistan, which is allowed to undertake reinsurance brokerage, in the jurisdiction in which it is incorporated, shall also be eligible to undertake reinsurance brokerage business in Pakistan.

(6) In the case of third party administration business, no person other than a company formed and registered under the company law shall be eligible to be licensed as a third party administrator.

(7) In the case of insurance surveying business, no person other than a company formed and registered under the company law shall be eligible to be licensed as an insurance surveyor:

Provided that an adjuster of maritime losses for marine class of insurance surveying business shall be eligible to act as an insurance surveyor:

Provided further that nothing in this section shall prevent the expression in the course of his general professional practice of an expert opinion on the nature, cause or quantum of an insurance loss by an advocate, solicitor, accountant, actuary or other professional person engaged in a profession other than surveying.

(8) In the case of authorised surveying officer, only natural persons shall be eligible to be licenced as an authorised surveying officer.

(9) In the case of insurance self-network platform business, the Commission shall have the power to specify through regulations, the persons eligible to undertake such business.

(10) In the case of other insurance intermediaries, the Commission shall have the power to specify through regulations, the persons eligible to undertake such intermediation business.”

6. Substitution of section 6, Ordinance XXXIX of 2000.— In the said Ordinance, for section 6, the following shall be substituted namely:-

“6. Licencing requirements for applicants.- (1) No eligible person referred to in section 5 shall, after the coming into effect of this Insurance Ordinance (amendment) Act, 2020, begin or carry out any business in the nature of insurance, microinsurance, takaful, reinsurance or that of insurance broking, reinsurance brokerage, third party administration or insurance surveying or as authorised surveying officer or of insurance self-network platform, unless such eligible person has obtained a licence, from the Commission to carry on such businesses under this Ordinance in such form and manner and in accordance which such terms and conditions and fee as may be specified.

(2) It shall be unlawful for any person to act as or describe himself or hold himself to be described or held out as an insurer, takaful operator, microinsurer, reinsurer, insurance broker, reinsurance broker, third party administrator or insurance surveyor

(including loss adjuster or loss assessor) or authorised surveying officer or insurance self-network platform, unless he holds valid licence, as the case may be, granted by the Commission.

(3) An eligible person required to seek licence under this Ordinance, shall make an application to the Commission.

(4) An applicant as an insurer, may make an application to the Commission, as a person licenced to carry on life insurance business or non-life insurance business, as the case may be.

(5) An applicant as a microinsurer, may make an application to the Commission, as a person licenced to carry on life microinsurance, non-life microinsurance or composite microinsurance business, as the case may be.

(6) An insurer applying as a takaful operator or a window takaful operator, may make an application to the Commission, as a person licenced to carry on family takaful business or general takaful business, as the case may be:

(7) An applicant as a reinsurer, may make an application to the Commission, as a person licenced to carry on life reinsurance business, non-life reinsurance business or composite reinsurance business, as the case may be:

Provided also that a foreign reinsurer who intends to undertake treaty reinsurance business in Pakistan, shall obtain licence from the Commission to carry on life reinsurance business, non-life reinsurance business or composite reinsurance business, as the case may be.

(8) A certificate of registration issued to an insurer or a reinsurer under the provisions of the Ordinance, prior to coming into effect of this Insurance Ordinance

(amendment) Act, 2020, shall be deemed to be licenced under the provisions of this section:

Provided that the certificate of registration issued to M/s Pakistan Reinsurance Company Limited under the provisions of the Ordinance as an insurer, prior to coming into effect of this Insurance Ordinance (amendment) Act, 2020, shall be deemed to be a licence as a reinsurer:

Provided further that the term “licenced insurer” and “registered insurer” wherever appearing in this Ordinance shall be used interchangeably.

(9) Persons providing reinsurance brokerage services as on the commencement date of this amendment shall be required to seek licence as a reinsurance broker from the Commission within a period of one year from the coming into effect of this Insurance Ordinance (amendment) Act, 2020.

(10) Applicants desirous to undertake microinsurance shall be allowed to underwrite microinsurance business in a province or provinces of Pakistan or a part of Pakistan not forming a province or all across Pakistan, which shall be specified in the application made before the Commission and in the licence granted by the Commission.

(11) An insurer licenced under this Ordinance shall be eligible to undertake inward facultative reinsurance business and where a licenced insurer intends to undertake reinsurance business exclusively in Pakistan, it shall form a separate public company for such purpose.

(12) For the purposes of proviso to sub-section (7) of this section, the requirement to obtain licence from the Commission by foreign reinsurers shall become effective three years from the coming into effect of this Insurance Ordinance (amendment) Act, 2020 or such later date as may be notified by the Commission.

(13) The Commission shall specify through regulations the manner of filling an application under this section and the information, documents, reports, certificates and other matters incidental or connected therewith required to be submitted with the application.”

7. Substitution of section 7, Ordinance XXXIX of 2000.— In the said Ordinance, for section 7, the following shall be substituted, namely:-

“7. Commission may grant licence upon satisfaction.- (1) Where an application for licence is received by the Commission under section 6, the Commission may, grant licence to the insurer, takaful operator, microinsurer, or reinsurer, as the case may be, if the Commission is satisfied that:

(a) the provisions of this Ordinance and the rules and regulations relating to minimum paid up share capital requirements have been complied with:

Provided that the Commission shall specify through regulations the requirements related to minimum amount of capital required for opening branch of foreign insurer or foreign reinsurer in Pakistan and the manner in which its capital shall be held, which shall be deemed to fulfill compliance with the requirements of paid up capital under this Ordinance;

(b) the provisions of this Ordinance and the rules and regulations relating to minimum statutory deposits, minimum solvency requirements and effecting of reinsurance arrangements have been complied with;

(c) the applicant is, and is likely to continue to be, able to meet its liabilities;

(d) the applicant meets, and is likely to continue to meet, criteria for sound and prudent management including without limitation those set out in section 12;

- (e) the applicant has appointed an auditor recognised by the Commission as appropriately qualified to audit the business of insurance, takaful, microinsurance or reinsurance, as the case may be;
- (f) the applicant has, if it proposes to carry on life insurance business, appointed an actuary as its internal actuary;
- (g) the applicant has, appointed an actuary as its appointed actuary, and the Commission does not disapprove that appointment:

Provided that the Commission shall separately specify regulations related to the role of the internal actuary or appointed actuary in relation to microinsurance business.

- (h) the applicant is, and is likely to continue to be, able to comply with such other of the provisions of this Ordinance as are applicable to it;
- (i) on the basis of the information provided by the application and any other information received by the Commission, the application ought to be granted; and
- (j) any other information which the Commission has sought is provided to the satisfaction of the Commission.

(2) For the purposes of this Ordinance, the term “microinsurance” means an insurer licenced to conduct only microinsurance business in Pakistan and includes a microtakaful operator:

Provided that nothing in this section, shall have the effect to restrict a licenced insurer to undertake microinsurance business in Pakistan, subject to compliance with such regulations as may be specified by the Commission in relation to microinsurance business.

(3) Where an application for licence is received by the Commission under proviso to sub-section (7) of section 6, the Commission may grant licence to the foreign reinsurer or foreign retakaful operator, as the case may be, subject to fulfilment of such requirements or conditions or limitations as may be imposed by the Commission through regulations:

Provided that the Commission may on its own motion, without receipt of application from a foreign reinsurer or a foreign retakaful operator, grant licence to transact reinsurance or retakaful business to foreign reinsurers or foreign retakaful operators, subject to fulfillment of such criteria as may specified.

(4) Where an application for licence is received by the Commission under section 6, the Commission may grant licence to the insurance broker, reinsurance broker, third party administrator, insurance surveyor, authorised surveying officer or insurance self-network platform, as the case may be, subject to fulfilment of such requirements as may be imposed by the Commission through regulations.

(5) The regulations to be made for the purposes of sub-section (1), (3) and (4), shall take into consideration the nature of business proposed to be conducted by the applicant.

(6) Where the Commission is not satisfied with respect to all or any of the matters related to the applicant referred in the regulations made for the purposes of sub-section (1), (3) or (4), it shall refuse an application.”

(7) The regulations to be made under sub-section (1), (3) or (4) above, shall provide for the recourse available to the applicant, if its application is refused by the Commission.”

(8) All persons licenced under this Ordinance shall pay to the Commission, on or before the fifteenth day of January in every calendar year, an annual supervision fee, the rate, amount and basis of which shall be notified by the Commission.

Provided that in the case of all licenced persons, till such time the rate, amount and basis of the annual supervision fee is notified by the Commission, the amount of fee shall be calculated as per the fee applicable to the concerned licenced person immediately preceding the coming into effect of the Insurance Ordinance (Amendment) Act, 2020.

8. Amendment of section 8, Ordinance XXXIX of 2000.— In the said Ordinance, in the said section 8, for the word “prescribed”, wherever appearing, the word “specified” shall be substituted and after the words, “filed by an insurer”, the expression “, microinsurer or reinsurer” shall be inserted.

9. Insertion of section 8A, Ordinance XXXIX of 2000.— In the said Ordinance, after section 8, amended as aforesaid, the following new section 8A shall be inserted, namely:-

“8A. Duration of licence.- (1) Licences granted to insurers, microinsurers and reinsurers under this Ordinance to carry on insurance business, microinsurance or reinsurance business, as the case may be, shall continue until it is cancelled or revoked by the Commission.

(2) The Commission shall have the power to specify through regulations the duration of licence granted to a foreign reinsurer or foreign retakaful operator and the conditions associated with the grant of authorization to such person.

(3) After the coming into effect of this Insurance Ordinance (Amendment) Act, 2020, the licence of insurance brokers, reinsurance brokers, third party administrators, insurance surveyors, authorised surveying officers and insurance self-network platforms under this Ordinance, shall continue to remain valid until and unless revoked, cancelled or suspended by the Commission:

Provided that the licences issued to insurance brokers, insurance surveyors and authorised surveying officer issued prior to coming into effect of this Insurance Ordinance (Amendment) Act, 2020, shall remain valid for the period mentioned on the licence, on the expiry of which, licence under the provision of this sub-section shall be issued by the Commission.”

10. Substitution of section 9, Ordinance XXXIX of 2000.— In the said Ordinance, for section 9, the following shall be substituted, namely:-

“9. Revocation of Licence of an insurer, microinsurer or reinsurer.- (1) The Commission may at any time by order in writing, revoke the licence granted to an insurer, microinsurer or reinsurer, with such directions as it may deem fit, on being satisfied that:

- (a) a direction has been issued to the insurer, microinsurer or reinsurer, under section 63 of the Ordinance to cease entering into new contracts due to any of the reasons mentioned therein, and such reasons have not been removed by the insurer, microinsurer or reinsurer, as the case may be, within the time period stipulated by the Commission in this regard; or
- (b) the insurer, microinsurer or reinsurer, has ceased to carry on insurance business in Pakistan; or

- (c) the insurer, microinsurer or reinsurer, has not, within the period of one year after it was granted licence under this Ordinance, carried on insurance, microinsurance or reinsurance business in Pakistan; or
- (d) the insurer, microinsurer or reinsurer has failed to comply with any of the terms or conditions subject to which a licence is granted; or
- (e) the insurer, microinsurer or reinsurer is—
 - (i) conceived or brought forth for, or is or has been carrying on, unlawful or fraudulent activities; or
 - (ii) run and managed by persons who fail to maintain proper and true accounts or they commit fraud, misfeasance or malfeasance in relation to the company; or
 - (iii) run and managed by persons who are involved in terrorist financing or money laundering; or
 - (iv) managed by persons who refuse to act according to the requirements of this Ordinance or have failed to carry out the directions or decisions of the Commission given in exercise of the powers conferred by this Ordinance; or
- (f) the commission has reasons to believe that the operation of the insurer, microinsurer or reinsurer is detrimental to the interest of its policyholders or public at large;

Provided that before the licence of an insurer, microinsurer or reinsurer is so revoked, the Commission shall give to the insurer,

microinsurer or reinsurer a notice, in writing of its intention to do so, and shall afford the insurer, microinsurer or reinsurer an opportunity to be heard.

(2) Where the Commission is requested in writing by an insurer, microinsurer or a reinsurer to revoke its licence the Commission may by an order in writing revoke that licence.

(3) Licence granted under this Ordinance to carry on insurance, microinsurance or reinsurance business shall not be revoked unless the Commission is satisfied that adequate provision has been made for the irrevocable transfer to a licenced insurer, microinsurer or reinsurer, as the case may be, of all insurance or reinsurance liabilities incurred by the applicant seeking revocation of licence under the preceding sub-section.

(4) Nothing in this section shall prevent the Commission from exercising the powers available to it under section 63 to direct a licenced insurer, microinsurer or reinsurer to cease entering into new insurance contracts.

(5) The Commission shall have the power to specify through regulations providing the manner of and condition precedent for revocation of licence of operators and foreign reinsurers, either on application for revocation of licence or on its own motion.

(6) Where the Commission has reasons to believe that an insurance broker, reinsurance broker, insurance surveyor, authorised surveying officer, third party administrator or an insurance self-network platform or any insurance intermediary notified by the Commission, has contravened the provisions of this Ordinance or the conditions of licence or the directions given by the Commission, the Commission may by an order in writing revoke, cancel or suspend the licence of the insurance broker, reinsurance broker, insurance surveyor, authorised

surveying officer, third party administrator or the insurance self-network platform, or any insurance intermediary notified by the Commission as the case may be.

(7) No order under sub-section (6) shall be passed without giving an opportunity of hearing to the concerned party.

(8) The order under sub-section (6) shall provide the reasons of cancellation, revocation or suspension of licence and shall stipulate the period during which the licence shall remain suspended and on termination of the duration of suspension, the concerned party shall apply before the Commission seeking licence, as per section 6 above.”

11. Amendment of section 10, Ordinance XXXIX of 2000.—In the said Ordinance, in the said section 10, in sub-section (2), after the words, “insurer”, the expression “, microinsurer or reinsurer” shall be inserted.

12. Substitution of section 11, Ordinance XXXIX of 2000.—In the said Ordinance, for section 11, the following shall be substituted, namely:-

“11. Conditions imposed on licenced insurers, microinsurers and reinsurers.- An insurer, microinsurer and a reinsurer licenced under this Ordinance shall at all times ensure that:

- (a) the provisions of this Ordinance and the regulations relating to minimum paid-up share capital requirements are complied with;
- (b) the provisions of this Ordinance and the regulations relating to minimum statutory deposits have been complied with;
- (c) the provisions of this Ordinance and the regulations made thereunder relating to minimum solvency requirements are complied with;

- (d) the provisions of this Ordinance and the regulations relating to the obtaining of reinsurance arrangements are complied with;
- (e) the insurer, microinsurer or reinsurer is, and is likely to continue to be, able to meet its liabilities;
- (f) the insurer, microinsurer or reinsurer meets, and is likely to continue to meet, criteria for sound and prudent management including without limitation those set out in section 12;
- (g) the insurer, microinsurer or reinsurer has appointed an auditor recognised by the Commission as appropriately qualified to audit the business of life or non-life insurance, microinsurance or reinsurance, as the case may be;
- (h) the insurer, microinsurer or reinsurer is, and is likely to continue to be, able to comply with such other provisions of this Ordinance and the rules and regulations as are applicable to it;
- (i) it complies with the requirements of the Anti-Money Laundering Act, 2010 (VII of 2010) and the rules, regulations, directives and circulars issued thereunder, or any other applicable law related to Anti-Money Laundering and Countering of Financing of Terrorism, as applicable to it.
- (j) the insurer, microinsurer or reinsurer maintains such minimum financial strength rating and in such manner as specified;
- (k) it has and maintains a risk management framework in accordance with the specified requirements;

- (l) the insurer or microinsurer displays its licence at all times on its premises, branches and websites for the information of prospective policy holders; and
- (m) the insurer, microinsurer or reinsurer complies with the directions issued by the Commission.”.

13. Substitution of section 12, Ordinance XXXIX of 2000.—In the said Ordinance, for section 12, the following shall be substituted, namely:-

“12. Criteria for sound and prudent management.- (1) For the purposes of this Ordinance, the following shall, without limitation, be recognised as criteria for sound and prudent management of a licenced insurer, microinsurer or reinsurer or applicant for licence as a person to carry on insurance, reinsurance or microinsurance business-

- (a) the business of the licenced insurer, microinsurer or reinsurer or applicant is carried on with integrity, due care and the professional skills appropriate to the nature and scale of its activities;
- (b) the directors, chairman, chief executive and key officers of the licenced insurer, microinsurer or reinsurer or (in the case of an applicant which is a body corporate incorporated outside Pakistan) the principal officer in Pakistan or applicant, as the case may be, should be fit and proper person to hold that position:

Provided that the Commission shall for the purposes of clause (a) and (b) of sub-section (1), may specify through regulations the fit and proper criteria for the promoters, directors, chairman, chief executive and key officers of insurers, microinsurers or reinsurers:

Provided further that the chief executive officer or the directors of a licenced insurer, microinsurer or reinsurer shall not assume charge until and unless their appointment has been approved by the Commission:

Provided also that notwithstanding anything contained in any other law for the time being in force, the chief executive officer and the chairman of a licenced insurer shall not be the same person;

- (c) the licenced insurer, microinsurer or reinsurer or applicant is directed and managed by a sufficient number of persons who are fit and proper persons to hold the positions which they hold;
- (d) the licenced insurer, microinsurer or reinsurer or applicant maintains adequate accounting and other records of its business; and
- (e) the licenced insurer, microinsurer or reinsurer or applicant maintains adequate systems of control of its business and records.

Explanation: A person is a fit and proper person who possesses such experience and qualifications as are appropriate and specified, for the duties for which he is responsible, and conducts those duties with due diligence and skill. A person is not a fit and proper person to hold the position of Chairman, or of Chief Executive or principal officer in Pakistan, of a licenced insurer, microinsurer or reinsurer if that person does not have the specified experience or qualifications of direct relevance to the conduct of insurance operations. A person is not a fit and proper person if the association of that person with the licenced insurer, microinsurer or reinsurer is or is likely, for whatever reason, to be detrimental to the interest of the licenced insurer, microinsurer or reinsurer or of the policy holders, or is otherwise undesirable.

(2) Accounting and other records shall not be regarded as adequate for the purposes of clause (d) of sub-section (1) unless they are maintained such as-

- (a) to enable the business of the licenced insurer, microinsurer or reinsurer or applicant to be prudently managed; and
- (b) to enable the licenced insurer, microinsurer or reinsurer or applicant to comply with the obligations imposed on it by or under this Ordinance.

(3) In determining whether any systems of control are adequate for the purposes of clause (e) of sub-section (1), the Commission shall have regard to the functions and responsibilities for those systems which are held by the persons who are responsible for the direction and management of the licenced insurer, microinsurer or reinsurer or applicant and to whom clause (b) of sub-section (1) applies.

(4) The licenced insurer, microinsurer or reinsurer or applicant shall not be regarded as conducting its business in a sound and prudent manner if it fails to conduct its business with due regard to the interests of policy holders and potential policy holders.

(5) The licenced insurer, microinsurer or reinsurer or applicant shall not be regarded as conducting its business in a sound and prudent manner if it-

- (a) fails to satisfy an obligation to which it is subject by virtue of this Ordinance or the rules and regulations made under it; or
- (b) fails to supervise the activities of a subsidiary with due care and diligence and without detriment to the licenced insurer's, microinsurer's or reinsurer's or applicant's business.

(6) No licenced insurer, microinsurer or reinsurer shall appoint a managing agent, that is to say a person, firm or company entitled to the management of the affairs of

an insurer, microinsurer or reinsurer by virtue of an agreement or contract with the insurer, microinsurer or reinsurer for the conduct of its business.”.

14. Substitution of section 13, Ordinance XXXIX of 2000.—In the said Ordinance, for section 13, the following shall be substituted, namely:-

“13. Restriction on issue of insurance policies.- (1) No insurer or microinsurer shall offer any policy or contract in respect of insurance business, until and unless the insurer or the microinsurer has, not less than thirty days prior to such offer, furnished to the Commission in respect of such policies or contracts, the particulars and materials specified by the Commission:

Provided that the Commission shall have the power to reduce the time period of not less than thirty days keeping in view the advancement of technology and the nature of products:

Provided further that in the case of a non-life insurer, the provisions of sub-section (1) shall apply only in respect of policies falling under accident and health insurance class of non-life insurance business:

Provided also that every non-life insurer shall within a period of ninety days of the coming into effect of this amendment, file all its products falling under accident and health insurance class of non-life insurance being marketed by the non-life insurer as on the commencement date.

(2) The Commission may, within thirty days of such submission, require the insurer or microinsurer in writing to make such changes in the particulars and materials as the Commission may direct, and where the Commission does so direct the insurer or microinsurer shall not be taken to have complied with sub-section (1) until the insurer or microinsurer has complied with the direction of the Commission.

(3) Where the Commission is not satisfied with the product documentation filed under sub-section (1) or any subsequent changes made under sub-section (2) it may disapprove the product, which shall be communicated to the insurer or microinsurer in writing.

(4) For the purpose of this section, the Commission may specify through regulations electronic and/or any other manner in which an insurer or microinsurer may be required to file product documentation with the Commission.”.

15. Amendment of section 14, Ordinance XXXIX of 2000.— In the said Ordinance, in the said section 14,-

(i) for sub-section (3), the following shall be substituted, namely:-

“(3) An insurer that carries on life insurance business consisting of the provision of life contingent annuity business shall maintain one or more statutory funds exclusively for that business.”; and

(ii) in sub-section (7) for the word “prescribed”, the word “specified” shall be substituted, and the words “for the purposes of this sub-section” shall be deleted

16. Amendment of section 16, Ordinance XXXIX of 2000.— In the said Ordinance, in the said section 16, in sub-section (5), for the words “appointed actuary” the expression “internal actuary, duly opined upon by the appointed actuary of the insurer,” and for the word, “prescribed” the word “specified” shall be substituted.

17. Amendment of section 17, Ordinance XXXIX of 2000.— In the said Ordinance, in the said section 17, in sub-section (7), for the expression “received the appointed actuary’s”, the expression, “received and acted in accordance with the internal actuary’s” shall be substituted and after the words “basis of allocation”, the expression “, duly opined upon by the appointed actuary of the insurer” shall be inserted.

18. Amendment of section 18, Ordinance XXXIX of 2000.— In the said Ordinance, in the said section 18, in sub-section (2), after the words “provisions of this Ordinance” the words “and specified regulations” shall be inserted.

19. Amendment of section 21, Ordinance XXXIX of 2000.— In the said Ordinance, in the said section 21,-

- (a) in sub-section (3), for the expression “appointed actuary’s written advice”, expression “internal actuary’s written advice, duly opined upon by the appointed actuary of the insurer” shall be substituted; and
- (b) in sub-section (4), for the words “the appointed actuary”, the words, “the internal actuary and in providing his opinion the appointed actuary” shall be substituted;

20. Amendment of section 22, Ordinance XXXIX of 2000.— In the said Ordinance, in the said section 22,-

- (a) in sub-section (6), after clause (d), in the “Explanation” for the expression “accounting rules prescribed for the preparation of the statement of assets and liabilities referred to in sub-clause (i) of clause (a) of sub-section (1) of section 46”, the expression “regulations specified under sub-section (1) of section 46” shall be substituted;
- (b) in sub-section (7), in clause (a), after the words, “not less than ninety per cent”, the expression “, or such other percentage as may be specified by the Commission,” shall be inserted;
- (c) in sub-section (9):

- (i) after the words, “ninety per cent”, the expression “, or such other percentage as may be specified by the Commission,” shall be inserted; and
- (ii) in clause (a), for the word “prescribed” the word “specified” shall be substituted
- (d) in sub-section (10), after the words “shall be certified by the”, the expression “insurer’s internal actuary, duly opined by the” shall be inserted; and
- (e) in sub-section (12), for the word “rules” the word “regulations” shall be substituted.

21. Amendment of section 23, Ordinance XXXIX of 2000.— In the said Ordinance, in the said section 23,-

- (a) in sub-section (5), for the expression “the appointed actuary’s”, the expression “the internal actuary’s written advice, duly opined upon by the appointed actuary of the insurer” shall be substituted;
- (b) in sub-section (6), for the words “the appointed actuary”, expression “the internal actuary and in providing his opinion the appointed actuary,” shall be substituted;
- (c) in sub-section (10), for the words “the appointed actuary”, expression “the internal actuary, duly opined upon by the appointed actuary of the insurer” shall be substituted; and
- (d) in sub-section (13), for the word appearing “rules” the word “regulations” shall be substituted.

22. Amendment of section 24, Ordinance XXXIX of 2000.— In the said Ordinance, in the said section 24, for the words “appointed actuary”, the words, “internal actuary” shall be substituted and after the words “last preceding valuation”, the expression “, duly opined upon by the appointed actuary” shall be inserted.

23. Omission of sections 25 and 26 Ordinance XXXIX of 2000.— In the said Ordinance, section 25 and section 26 shall be omitted.

24. Substitution of sections 27, Ordinance XXXIX of 2000.— In the said Ordinance, for section 27, the following shall be substituted, namely:-

“PART IIIA

OTHER SPECIAL REQUIREMENTS FOR LIFE AND NON-LIFE INSURANCE

27. Internal Actuary and Appointed actuary.- (1) Every life insurer shall appoint an actuary as its internal actuary and every life and non-life insurer shall appoint an actuary as its appointed actuary.

(2) The Commission may on reasonable grounds disapprove appointment of appointed actuary and require the appointment of another appointed actuary.

(3) The Commission shall specify regulations with respect to *inter-alia* the qualifications, appointment and termination of an internal actuary or an actuary appointed for the purposes of this Ordinance.”

25. Insertion of sections 27A and 27B, Ordinance XXXIX of 2000.— In the said Ordinance, after section 27 substituted as aforesaid, the following new sections 27A and 27B shall be inserted, namely

“27A. Responsibilities of internal actuary and appointed actuary for life insurance business.- (1) The internal actuary of an insurer and an appointed actuary shall be responsible to perform such duties as he may be assigned under this Ordinance.

(2) The duties of internal actuary shall *inter-alia* include-

- (a) performing an annual investigation into the financial condition of a life insurer according to such scope, and reporting on such investigation in such terms as, may be specified by the Commission;
- (b) providing written advice as to the equitable apportionment of revenues and expenses between funds and between policy holders within funds;
- (c) certifying that the terms and conditions of a type of policy issued by a life insurer are sound and workable;
- (d) certifying premium rates at the time of introduction of a new product and any change in these rates;
- (e) certifying annually, mortality, expenses and other charges under investment contracts; and
- (f) such other duties as may be specified by the Commission.

(3) The duties of the appointed actuary shall *inter-alia* include-

- (a) giving an opinion annually on the financial condition of the life insurer as specified by the Commission;

- (b) giving an opinion on the apportionment of revenues and expenses between funds and between policy holders within funds;
- (c) giving an opinion on the soundness and workability of the terms and conditions of a type of policy issued by a life insurer;
- (d) giving an opinion on the premium rates at the time of introduction of a new product and any change in these rates;
- (e) giving an opinion annually on the mortality, expenses and other charges under investment contracts; and
- (f) such other duties as may be specified by the Commission.

(4) The internal actuary or the appointed actuary of an insurer, in the performance of his or her duties assigned under this Ordinance must comply with such requirements as may be specified by the Commission.

(5) The appointed actuary of an insurer shall be entitled at any time to address or to make a report to the Board of Directors of the insurer, with respect to any matter which in the opinion of the appointed actuary requires to be brought to the attention of the Board of Directors.

(6) An appointed actuary shall not be dismissed from his office without the permission of the Commission, which shall not unreasonably be withheld.

(7) An appointed actuary who resigns his office shall inform the Commission of the reasons for his resignation and of any matters connected therewith which he believes should be brought to the attention of the Commission.

(8) An appointed actuary who is dismissed from his office shall inform the Commission of any matters connected with his dismissal which he believes should be brought to the attention of the Commission.

(9) An appointed actuary who resigns or is dismissed shall not be liable to any person for any statement properly made with due cause pursuant to sub-section (7) or sub-section (8).

27B. Responsibilities of appointed actuary for non-life insurance business.-

(1) The appointed actuary of a non-life insurer shall be responsible to perform such duties as he may be assigned under this Ordinance.

(2) Such duties shall *inter-alia* include-

- (a) providing written advice to the non-life insurer on valuation of its unearned premium reserves, premium deficiency reserve, incurred but not reported claim reserve, incurred but not enough reported claim reserves or any other reserves that may be required to be kept by a non-life insurer;
- (b) providing written advice to the non-life insurer on adequacy of the past reserves held by the non-life insurer, for a period of not less than five years, based on the actual experience in the subsequent years; and
- (c) such other duties as may be specified by the Commission.

(3) The Commission shall have the power to specify through regulations duties to be assigned to the appointed actuary for non-life insurance business, for the purpose of giving effect to the regulations specified under the provisions of section 39A and 39B of this Ordinance.

(4) The provisions of sub-section (4) to (9) of section 27A of the Ordinance, excluding provisions of sub-section (7) thereof, shall apply mutatis mutandis in the case of appointed actuary of a non-life insurer.”.

26. Substitution of section 28, Ordinance XXXIX of 2000.— In the said Ordinance, for section 28 the following shall be substituted, namely:-

“28. Requirements as to capital.- (1) An insurer licenced under this Ordinance to carry on insurance business shall have a paid-up capital of not less than the required minimum amount, as follows,-

- (a) seven hundred million rupees, or such other amount as may be specified, for an insurer carrying on direct life insurance business; and
- (b) five hundred million rupees, or such other amount as may be specified, for an insurer carrying on direct non-life insurance business:

Provided that for the purposes of this sub-section the amount of minimum paid up capital shall be net of any discount offered on issue of shares.

(2) A microinsurer licenced under this Ordinance to carry on microinsurance business shall have a paid up capital of not less than the required minimum amount, as follows-

- (a) One hundred and fifty million rupees; in case of carrying on microinsurance business in only one province of Pakistan or part of Pakistan not forming part of a province of Pakistan;

- (b) One hundred and ninety million rupees, in case of carrying on microinsurance business only in two provinces of Pakistan, or in one province and in part of Pakistan not forming part of a province of Pakistan;
- (c) Two hundred and twenty million rupees, in case of carrying on microinsurance business only in three provinces of Pakistan, or in two provinces and in part of Pakistan not forming part of a province of Pakistan;
- (d) Two hundred and fifty million rupees, in case of carrying on microinsurance business all across Pakistan; or
- (e) such other amount as may be specified by the Commission.

(3) An insurer or a microinsurer, not having a share capital, shall not be required to comply with the provisions of the preceding sub-sections.

(4) A reinsurer licenced to carry on reinsurance business shall have a paid-up capital plus equity reserves net of accumulated losses / profits of not less than the required minimum level, as follows:

- (a) one billion and four hundred million rupees, or such other amount as may be specified by the Commission, for a reinsurer carrying on life reinsurance business;
- (b) one billion rupees, or such other amount as may be specified by the Commission, for a reinsurer carrying on non-life reinsurance business;
- (c) two billion rupees, or such other amount as may be specified by the Commission, for a reinsurer carrying on composite reinsurance business.

(5) The Commission, while prescribing the required minimum capital levels in pursuance of clause (a), (b) and (c) of sub-section (4) above, may set formulae in each case, for each class of business and for the kind/nature of structure of reinsurer, for calculation of the required minimum level, having fixed as well as variable parts, which shall be maintained in such manner as the Commission may specify through regulations.

(6) The Commission may, at any time, specify through regulations, the pattern of investment in the form of paid-up capital in the case of licenced reinsurers being subsidiaries, associated concerns or related parties of foreign insurers or reinsurers.

(7) A reinsurer, not being a public company or incorporated under the laws of Pakistan, but authorised to carry on reinsurance business shall be exempted from the requirements of sub-section (4) to sub-section (6).”.

27. Amendment of section 29, Ordinance XXXIX of 2000.— In the said Ordinance, in the said section 29,-

(a) in sub-section (1), for the words, “the Federal Government”, the words, “the concerned insurer” shall be substituted;

(b) for sub-section (2), the following shall be substituted, namely:-

“(2) For the purposes of this section the required minimum amount is, either,-

(a) the higher of:

(i) ten million rupees; or

(ii) the total of ten percent (10%) of the minimum paid up capital provided under section 28 and seven and a half percent

(7.5%) of the additional paid up capital that an insurer holds over and above the minimum paid up capital requirement; or

- (b) such other amount as may be specified by the Commission”;
- (c) sub-section (5) shall be omitted;
- (d) in sub-section (6), for the expression, “Where sub-section (5) applies”, the words “In case of sale or maturity of any securities pledged with the Bank” shall be substituted.

28. Amendment of section 30, Ordinance XXXIX of 2000.— In the said Ordinance, in the said section 30, in sub-section (1), the following new proviso shall be inserted, namely:-

“Provided that the Commission may specify regulations to govern the matters provided in sub-section (1).”.

29. Amendment of section 31, Ordinance XXXIX of 2000.— In the said Ordinance, in the said section 31,-

- (a) in sub-section (1), for the word “Commission”, the words, “State Bank of Pakistan” shall be substituted and the expression “, and such consent shall not be unreasonably withheld” shall be omitted;
- (b) after sub-section (1), amended as aforesaid, the following new sub-sections (2) and (3) shall be inserted, namely:-

“(2) The State Bank of Pakistan shall forward the request of the insurer to the Commission seeking its consent for return of such portion of the deposit as is in excess of any amount which the insurer is required under

this Ordinance to keep deposited and such consent shall not be unreasonably withheld.

(3) The provisions of section 29 to 31 shall *mutatis mutandis* apply to microinsurers and reinsurers licenced under this Ordinance.”.

30. Amendment of section 32, Ordinance XXXIX of 2000.— In the said Ordinance, in the said section 32,-

(a) in sub-section (1), in clause (d), after the words “for the purposes of this Part”, the expression, “subject to such limits which the Commission may state in the declaration under sub-section (8) of this section” shall be inserted; and

(b) in sub-section (2),-

(i) in clause (d), in the first proviso, after the words, “holding less than one per cent”, the expression “, or such other percentage as may be specified by the Commission,” shall be inserted;

(ii) clause (k) shall be omitted;

(iii) after clause (s), the following new sub-clauses shall be inserted, namely:-

“(sa) term finance certificates or sukuk bonds issued by one issuer, not being a state owned enterprise, to the extent that they exceed such percentage as may be specified by the Commission of the insurer’s total investments or, in the case of a life insurer, such percentage as may be specified by the

Commission of the total investments of the relevant statutory fund or shareholders' fund;

- (sb) term finance certificates or sukuk bonds in aggregate, not being a state owned enterprise, to the extent that they exceed such percentage as may be specified by the Commission of the insurer's total investments or, in the case of a life insurer, such percentage as may be specified by the Commission of the total investments of the relevant statutory fund or shareholders' fund;
- (sc) units in any one open ended mutual fund, to the extent that they exceed such percentage as may be specified by the Commission of the insurer's total investments or, in the case of a life insurer, such percentage as may be specified by the Commission of the total investments of the relevant statutory fund or shareholders' fund;
- (sd) units in all open ended mutual funds managed by the same asset management company, to the extent that they exceed such percentage as may be specified by the Commission of the insurer's total investments or, in the case of a life insurer, such percentage as may be specified by the Commission of the total investments of the relevant statutory fund or shareholders' fund;
- (se) investment in any single real estate investment trust, to the extent that they exceed such percentage as may be specified by the Commission of the insurer's total investments or, in the case of a life insurer, such percentage as may be specified

by the Commission of the total investments of the relevant statutory fund or shareholders' fund;

- (sf) investment in all real estate investment trusts in aggregate, to the extent that they exceed such percentage as may be specified by the Commission of the insurer's total investments or, in the case of a life insurer, such percentage as may be specified by the Commission of the total investments of the relevant statutory fund or shareholders' fund;
- (sg) all investment in shares (listed and unlisted), modaraba certificates, property, mutual funds and real estate investment trusts in aggregate but excluding mutual funds which have no direct or indirect investment in equities or property, to the extent that they exceed such percentage as may be specified by the Commission of the insurer's total investments or, in the case of a life insurer, such percentage as may be specified by the Commission of the total investments of the relevant statutory fund or shareholders' fund;
- (sh) listed modaraba certificates issued by any one company, to the extent that they exceed such percentage as may be specified by the Commission of the insurer's total investments or, in the case of a life insurer, such percentage as may be specified by the Commission of the total investments of the relevant statutory fund or shareholders' fund;”;

(iv) in clause (u), for sub-clause (i), the following shall be substituted, namely:-

“(i) vehicles to the extent of fifty percent of the written down value of the vehicles appearing in the financial statements of the insurer, provided that the vehicles are free from all types of encumbrances;” and

(c) in sub-section (3) for the word “prescribing” the word “specifying” and for the word “prescription” appearing twice, the word “specification” shall be substituted.

31. Amendment of section 34, Ordinance XXXIX of 2000.— In the said Ordinance, in the said section 34,-

(a) in sub-section (1), for the word “rules”, the word “regulations” and for the word “prescribed” the word “specified” shall be substituted;

(b) in sub-section (2),-

(i) for clauses (a) and clause (b), the following shall be substituted, namely:-

“(a) the Commission may through regulations, not being the accounting regulations referred in sub-section (1), specify the manner in which certain assets of the insurer may be valued for the purposes of ascertainment of solvency of the insurer;

(b) the Commission may through regulations, not being the accounting regulations referred in sub-section (1), specify

the manner in which certain liabilities of the insurer, not being a policyholder liability or the liabilities provided in clause (c) and (d) of this sub-section, may be valued for the purposes of ascertainment of solvency of the insurer.”;

(ii) in clause (d),-

(I) in sub-clause (ii) after the words, “of claims”, the words “and relevant management expenses” shall be inserted; and

(II) in sub-clause (ii), for the full stop a colon shall be substituted and thereafter the following proviso shall be added, namely:-

“Provided that the premium deficiency reserve to be calculated under sub-clause (ii), shall be calculated separately for each class of insurance business or for similar types of risks, which ever results in more prudent calculation of premium deficiency reserve.”; and

(c) in sub-section (3), after the words, “set out in”, the expression “clause (c) and (d) of” shall be inserted.

32. Amendment of section 35, Ordinance XXXIX of 2000.— In the said Ordinance, in the said section 35,-

(a) in sub-section (2),-

(i) for the words “seventy-five million”, the words “one hundred and sixty five million” and for the word “prescribed” the word “specified shall be substituted;

- (ii) for the full stop at the end a colon shall be substituted and thereafter the following second proviso shall be inserted:

“Provided further that for the purposes of the required minimum amount for a life insurer, not having share capital, in respect of its permanent capital fund, shall be such amount as may be specified by the Commission.”;

- (b) in sub-section (7), for the words “Federal Government” the word “Commission” and for the word “prescribe” the word “specify” shall be substituted;
- (c) in sub-section (8), for the word “prescribed” the word “specified” after the words, “shall not exceed forty per cent”, the expression “, or such other percentage as may be specified by the Commission” shall be inserted;
- (d) after sub-section (8), amended as aforesaid, the following new sub-sections shall be inserted, namely:-

“(9) The Commission shall have the power to specify a percentage or a range of percentages for investment exposure of the shareholders’ fund of a life insurer or the statutory funds of a life insurer, in different asset classes, which shall also be specified by the Commission:

Provided that the power of the Commission to specify a percentage or a range of percentages for investment exposure in different asset classes shall be exercised after giving due consideration to the nature and term of the liabilities of the life insurer.

- (10) The provisions of this section shall mutatis mutandis apply in relation to the calculation of solvency of a life microinsurer or a life reinsurer:

Provided that the provision of sub-section (6) and (7) above shall not be applicable on life reinsurer:

Provided further that in the case of life microinsurer or a life reinsurer, the Commission shall separately specify the required minimum amount under sub-section (1).

- (11) Where a licenced microinsurer or a licenced reinsurer, is allowed to undertake composite microinsurance business, the provisions of this section shall apply mutatis mutandis in respect of its life microinsurance or life reinsurance business, as the case may be.”.

33. Amendment of section 36, Ordinance XXXIX of 2000.— In the said Ordinance, in the said section 36,-

- (a) in sub-section (3), in clause (b), after the words, “reinsurance of fifty per cent”, the expression “, or such other percentage as may be specified by the Commission,” shall be inserted;
- (b) in sub-section (3),-
- (i) in clause (c),-
- (I) after the words, “in each case of fifty per cent”, the expression “, or such other percentage as may be specified by the Commission,” shall be inserted;
- (II) in first proviso, for the full stop at the end a colon shall be substituted and thereafter the following new proviso shall be inserted as follows:

“Provided further that an insurer, not having share capital, shall not be required to comply with the requirements of clause (a) of sub-section (3).”;

- (c) after sub-section (4), the following new sub-sections shall be inserted, namely:-

“(5) The Commission shall have the power to specify a percentage or a range of percentages for investment exposure of the non-life insurer, in different asset classes, which shall also be specified by the Commission:

Provided that the power of the Commission to specify a percentage or a range of percentages for investment exposure in different asset classes shall be exercised after giving due consideration to the nature and term of the liabilities of the life insurer.

(6) The provisions of this section shall *mutatis mutandis* apply in relation to the calculation of solvency of a non-life microinsurer or a non-life reinsurer:

Provided that the required minimum amount to be specified by the Commission under clause (a) of sub-section (3) shall be separately specified if microinsurance business is being carried in-

- (i) a single province of Pakistan or part of Pakistan not forming part of a province;
- (ii) two provinces of Pakistan or in one province and part of Pakistan not forming part of a province;

- (iii) three provinces of Pakistan or in two provinces and part of Pakistan not forming part of a province;
- (iv) all across Pakistan.

(7) Where a licenced microinsurer or a licenced non-life reinsurer, is allowed to undertake composite microinsurance business, the provisions of this section excluding clause (a) of sub-section (3), shall apply *mutatis mutandis* in respect of its non-life microinsurance business.”.

34. Amendment of section 37, Ordinance XXXIX of 2000.— In the said Ordinance, in the said section 37,-

- (a) in sub-section (1), after the words, “of not more than eighty per cent”, the expression “, or such other percentage as may be specified by the Commission,” shall be inserted;
- (b) in sub-section (2), in the proviso, after the words, “is an amount not exceeding eighty per cent”, the expression “, or such other percentage as may be specified by the Commission,” shall be inserted;
- (c) in sub-section (5), for the words, “banking company”, the words “financial institution” shall be substituted;
- (d) in sub-section (7), for the expression, “section 195 of the Companies Ordinance, 1984 (XLVII of 1984)”, the expression, “section 182 of the Companies Act, 2017 (XIX of 2017)”, shall be substituted and after the words, “is of an amount not more than eighty per cent”, the expression “, or such other percentage as may be specified by the Commission,” shall be inserted;

(e) sub-section (8) shall be omitted.

35. Amendment of section 39, Ordinance XXXIX of 2000.— In the said Ordinance, in the said section 39, for the words, “in the name of the statutory fund”, the words “in the name of the life insurer” shall be substituted and for the full stop at the end a colon shall be substituted and thereafter the following new proviso shall be inserted, namely:-

“Provided that in the case of the assets of a statutory fund of a life insurer, the insurer shall ensure that the asset segregation has been correctly classified in its books and records in the name of that statutory fund.”.

36. Insertion of section 39A and 39B, Ordinance XXXIX of 2000.—

In the said Ordinance, after section 39, the following new sections 39A and 39B shall be inserted, namely:-

“39A. Power of the Commission to introduce risk based capital and solvency requirements.- (1) The Commission may, by regulations, specify risk based capital and solvency requirements, in such manner and form as necessary for the conduct of insurance business.

Explanation.- For the purposes of this section and section 39B, the term “licenced insurer” shall include the licenced microinsurer and licenced reinsurer.

(2) The risk based capital and solvency requirements specified by the Commission shall apply to,-

(a) all licenced insurers;

- (b) a division of insurance business, or direct insurance business, or reinsurance business, or takaful business, or a specified class or classes of insurance business; or
- (c) one or more specified licenced insurers.

(3) The risk based capital and solvency requirements specified by the Commission may,-

- (a) have general or specific application; or
- (b) provide for different treatment in special circumstances.

(4) The provisions of sections 32, 34, 35 and 36 of the Ordinance, shall cease to have effect on the day of coming into effect of the risk based capital and solvency requirements specified by the Commission under sub-section (1).

39B. Matters that may be contained in specified requirements.- The risk based capital and solvency requirements specified under section 39A may specify one or more of the following matters,-

- (a) minimum amount of capital that an insurer must hold and maintain and the methods for determining or calculating the amount whether by reference to a specified formula, framework, or amount, a combination of specified formulae, frameworks, or amounts, or otherwise of the minimum capital to be maintained;
- (b) methods for determining or calculating whether by reference to a specified formula, framework, or amount, a combination of specified formula,

frameworks, or amounts, or otherwise a solvency margin for the purposes of a condition of licence;

- (c) methods for determining whether, and the extent to which, a solvency margin is being maintained;
- (d) requirements relating to reports about the financial condition of an insurer and other reports relating to the solvency of the insurer including requirements relating to the information that must be contained in the reports, who must prepare the reports, how often the reports must be prepared, other matters concerning the preparation of reports, to whom the reports must be provided, and when the reports must be provided;
- (e) for the purposes of sub-clause (a) to sub-clause (d), the risk based capital and solvency requirements shall provide for-
 - (i) the methods for estimating or valuing the assets or liabilities or both of an insurer;
 - (ii) the assets of an insurer that must be disregarded in, whole or in part, for the purposes of estimating or valuing the assets of an insurer;
 - (iii) whether, and the extent to which, the value of an insurer's assets exceeds the value of its liabilities (including contingent liabilities);
 - (iv) whether an insurer is able to pay its liabilities as they become due in the normal course of business; and
 - (v) any other matters relating to the financial condition or solvency of an insurer.

- (f) requirements relating to the disclosure of information as to the financial condition or solvency of an insurer and the form and manner of such disclosure shall be disclosed to one or more of the following-
 - (i) the Commission;
 - (ii) the insurer’s policyholders or any class of those policyholders;
 - (iii) the public or any class of the public;
 - (iv) any other person notified by the Commission.”.

37. Amendment of section 40, Ordinance XXXIX of 2000.— In the said Ordinance, in the said section 40, in sub-section (1), for clause (b), the following shall be substituted, namely:-

- “(b) “net retention” means risk retained by insurer solely on its own account, net of all reinsurance risk absorption capacity and which an insurer bears on its own resources without any recovery from reinsurer, whether in respect of proportional or non-proportional treaty.”.

38. Amendment of section 41, Ordinance XXXIX of 2000.— In the said Ordinance, in the said section 41,-

- (a) in sub-section (1),-
 - (i) after the words “insurer” appearing for the first time, the words “or takaful operator” shall be inserted;

- (ii) for the words “reinsurance arrangement”, the expression “reinsurance or retakaful arrangement, as the case may be,” shall be inserted;
 - (iii) In sub-section (1), after the word “insurer” appearing elsewhere the words “or takaful operator” shall be inserted;
- (b) in sub-section (2),-
- (i) after the word “insurer” occurring first, the words “and takaful operator” shall be inserted; and
 - (ii) after the word “insurer” occurring for the second time, the words “or takaful operator” shall be inserted; and
 - (iii) after the word “reinsurance” wherever occurring, the words “or retakaful” shall be inserted;
- (c) in sub-section (3), after the word “reinsurance” wherever occurring, the words “or retakaful” shall be inserted and after the word “insurer”, the words “or takaful operator” shall be inserted;
- (d) in sub-section (4), after the word “reinsurance”, the words “or retakaful” shall be inserted and after the word “insurer” wherever occurring the words “or takaful operator” shall be inserted and for the word “his” the word “its” shall be substituted; and
- (e) for sub-section (5), the following shall be substituted, namely:-
- “(5) The Federal Government may make rules, not inconsistent with sub-section (1), governing the reinsurance or retakaful outside Pakistan other

than on a treaty basis of insurance or takaful business underwritten by an insurer or takaful operator, as the case may be, in Pakistan.

Explanation:- For the purposes of this section, “reinsurance” and “retakaful” includes “retrocession”.

39. Amendment of section 42, Ordinance XXXIX of 2000.— In the said Ordinance, in the said section 42,-

- (a) in sub-section (2), in clause (b), the expression “under sub-section (1)” shall be omitted;
- (b) sub-section (4) shall be omitted;

40. Amendment of section 44, Ordinance XXXIX of 2000.— In the said Ordinance, in the said section 44,-

- (a) in the marginal heading, for the words “Rules and regulations”, the word “Regulations” shall be substituted; and
- (b) in sub-section (1), for the words “Federal Government” the word “Commission” shall be substituted and the words “rules and” shall be omitted.

41. Amendment of section 45, Ordinance XXXIX of 2000.— In the said Ordinance, in the said section 45,-

- (a) in sub-section (2), for the words “and in either the English or the Urdu language” the words “in English language or in any other language as may be specified” shall be substituted; and
- (b) in sub-section (5), for the expression “Companies Ordinance, 1984”, the expression, “Companies Act, 2017” shall be substituted;

42. Substitution of section 46, Ordinance XXXIX of 2000.— In the said Ordinance, for section 46, the following shall be substituted, namely:-

“46. Accounting and reporting.- (1) Every insurer shall at the expiration of each year prepare and deliver to the Commission with reference to that year such financial statements and regulatory returns audited by an approved auditor, as per the illustrative formats of financial statements and regulatory returns notified by the Commission and prepared in accordance with such regulations as may be specified by the Commission from time to time in this behalf.

(2) Every insurer shall furnish, to the Commission, within thirty days of the close of first and third quarter and within sixty days of the close of second quarter of its year of accounts, statements required under sub-section (1), prepared in such manner specified under sub-section (1) and in such form as notified under sub-section (1).

(3) In the case of an insurer licenced to conduct life insurance business, the regulatory returns shall be furnished separately in respect of each statutory fund maintained by the life insurer and in respect of the shareholders’ fund.

(4) The statements specified under the foregoing sub-sections shall be prepared in respect of all insurance business transacted by an insurer except that in the case of an insurer incorporated in a jurisdiction outside Pakistan, the statement

shall be prepared in respect of the insurance business transacted by the insurer in Pakistan.

(5) In the case of a life insurer having in force policies which are investment linked or any other type of insurance, the statements referred to in sub-section (2) shall be accompanied by such other statements as may be specified by the Commission.

(6) The statements specified under sub-sections (1) and (2) shall be signed, in the case of a company, by the chairman, if any, and two directors and the chief executive of the company, or in the case of an insurer incorporated in a jurisdiction outside Pakistan, by its principal officer in Pakistan and any two directors (or the closest comparable officer equivalent thereto).

(7) The Commission shall have the power to specify embedded value framework for life insurance companies for the purpose of determination of their financial performance and appraisal value, which includes but is not limited to, the determination of present value of future profits and adjusted net asset value.

(8) A licensed insurance broker or a licenced reinsurance broker shall make an annual report to the Commission. Such report shall include audited accounts of the insurance broking business and such other information and statements as may be specified, each in such format as may be notified by the Commission through illustrative statements.

(9) A licensed third party administrator shall make an annual report to the Commission and such report shall include audited accounts of the third party administration business and such other information and statements as may be specified and in such format as may be notified by the Commission through illustrative statements.”.

43. Amendment of section 47, Ordinance XXXIX of 2000.— In the said Ordinance, in the said section 47,-

- (a) in sub-section (1), for the word “prescribed” occurring twice, the word “specified” and for the expression, “Companies Ordinance, 1984 (XLVII of 1984)”, the expression “Companies Act, 2017 (XIX of 2017)” shall be substituted;
- (b) in sub-section (2), for the expression, “Part XIV of the Companies Ordinance, 1984”, the expression “Part XII of the Companies Act, 2017 (XIX of 2017)”, for the word “prescribed” occurring twice, the word “specified” and for the expression “Companies Ordinance, 1984 (XLVII of 1984)”, the expression “Companies Act, 2017 (XIX of 2017)” shall be substituted;
- (c) in sub-section (4), for the word “prescribed” the word “specified” and for the expression, “Companies Ordinance, 1984”, the expression “Companies Act, 2017 (XIX of 2017)” shall be substituted;

44. Amendment of section 48, Ordinance XXXIX of 2000.— In the said Ordinance, in the said section 48,-

- (a) in sub-section (1), in clause (b), for the words, “Companies Ordinance”, the expression “Companies Act, 2017 (XIX of 2017)” shall be substituted;
- (b) in sub-section (2), in clause (d), for the words, “the appointed actuary”, the words “the internal actuary and the opinion of the appointed actuary” shall be substituted;

- (c) in sub-section (4), for the expression “sections 255, 256, 257 and 260 of the Companies Ordinance, 1984” the expression “section 248, 249, 251 and 253 of the Companies Act, 2017 (XIX of 2017)” shall be substituted;
- (d) after sub-section (4), amended as aforesaid, the following new sub-section (5) shall be inserted, namely:-

“(5) An auditor appointed by an insurance company, in the performance of its duties assigned under this Ordinance, must comply with such requirements as may be specified by the Commission.”.

45. Amendment of section 49, Ordinance XXXIX of 2000.— In the said Ordinance, in the said section 49, in sub-section (1), for the expression “, approved by the Commission as qualified to perform audits of insurance companies, but not being the auditor, or a partner of the auditor, appointed by the insurance company concerned,” the words “other than the statutory auditor of the insurer” shall be substituted.

46. Amendment of section 50, Ordinance XXXIX of 2000.— In the said Ordinance, in the said section 50,-

- (a) in sub-section (1), the words “appointed actuary” the words “internal actuary” and for the word “prescribed” the word “specified” shall be substituted;
- (b) for sub-section (3), the following shall be substituted, namely:-

“(3) There shall be appended to every such report as is referred to in sub-section (1) or sub-section (2) a certificate signed by the chief executive of the insurer that full and accurate particulars of every policy under which

there is a liability either actual or contingent have been furnished to the internal actuary for the purpose of the investigation and to the appointed actuary for the purpose of providing opinion thereupon.”;

(c) in sub-section (4), for the word “prescribed” the word “specified” shall be substituted;

(c) in sub-section (5),-

(i) the words “minimum actuarial reserve for” shall be omitted and for the word “prescribed” the word “specified” shall be substituted; and

(ii) in the Explanation, the words “minimum actuarial reserve for” shall be omitted;

(d) in sub-section (6), the word “minimum” preceding the words “actuarial reserve” shall be omitted and after the words “policyholder liabilities” occurring for the second time, the words “determined in the specified manner” shall be inserted;

(e) after sub-section (6), the following new sub-section (6A) shall be inserted, namely:-

“(6A) The appointed actuary of an insurer shall provide his opinion on the financial condition report of the internal actuary of the insurer in accordance with such requirements as may be specified by the Commission.”; and

(f) In sub-section (7), for the word “prescribed” occurring twice the word “specified” shall be substituted;

47. Amendment of section 51, Ordinance XXXIX of 2000.— In the said Ordinance, in the said section 51,-

- (a) in sub-section (1), for the expression “and report referred to in sub-sections (1) and (5) of section 46”, the expression “specified under sub-section (1) of section 46 and the statement specified under sub-section (5) of section 46” and for the word “prescribed” the word “specified” shall be substituted;
- (b) for sub-section (2), the following shall be substituted, namely:-

“(2) In the case of the statements referred to in sub-section (2) of section 46 of the Ordinance, the Commission may on submission of an application by an unlisted insurer, extend the timeframe of submission in the aforementioned section by a period of not more than one month:

Provided further that the Commission may, upon an application by an insurer, extend the period of filing in case of accounts of first quarter for a period not exceeding thirty days, if the company was allowed extension in terms of sub-section (1).”; and

- (c) in sub-section (3), the expression “by the principal officer of the Company and,” shall be omitted and for the full stop at the end a colon shall be substituted and thereafter the following new proviso shall be added, namely:-

“Provided that where the chief executive officer of an insurer is not available for the time being, then the returns shall be signed by chairman of the Board of Directors and three directors.”

48. Amendment of section 52, Ordinance XXXIX of 2000.— In the said Ordinance, in the said section 52,-

(a) in the marginal heading, for the expression “Companies Ordinance, 1984” the words “Companies Act” shall be substituted;

(b) for sub-section (1), the following shall be substituted, namely:-

“(1) The Commission may notify the illustrative formats of the statements required to be filed by an insurer under section 223 and section 233 of the Companies Act, 2017 (XIX of 2017), as the case may be, and filing made in such form shall satisfy the requirements of those sections.”;

(c) in sub-section (2), for the expression, “sub-section (5) of section 233 of the Companies Ordinance, 1984 (XLVII of 1984)” the words, expression “section 223 and section 233 of the Companies Act, 2017 (XIX of 2017)” and for the word “prescribed” the word “notified” shall be substituted; and

(d) in clause (d) of sub-section (2), for the word “prescribed” the word “specified” shall be substituted.

49. Substitution of section 55, Ordinance XXXIX of 2000.— In the said Ordinance, for section 55, the following shall be substituted, namely:-

“55. Custody and inspection of documents and supply of copies.- (1) The Commission shall through regulations specify any of the returns submitted to it under the Ordinance, which shall be available for inspection and procurement of copies thereof, by such person, who applies before the Commission for the procurement of the same.

(2) A certified copy of the returns specified through sub-section (1) shall be kept by the Commission and shall be open to inspection; and any person may procure a copy of any such return, or of any part thereof, on payment of such fee as may be specified.

(3) A printed or certified copy of the returns specified in sub-section (1) of this section shall, on the application of any shareholder or policy holder made at any time within ten years from the date on which the document was so furnished be supplied, to him by the insurer within fourteen days of such application.”.

50. Amendment of section 57, Ordinance XXXIX of 2000.— In the said Ordinance, in section 57, after the words “insurer and”, the word “after” shall be inserted.

51. Amendment of section 59, Ordinance XXXIX of 2000.— In the said Ordinance, in section 59, for sub-section (1), the following shall be substituted, namely:-

“(1) If the Commission believes upon reasonable grounds that an insurer is or is likely to become unable to meet its liabilities or that there has been or is likely to be a contravention of the provisions of the Ordinance or the rules or the regulations made thereunder by the insurer, or it is deemed necessary as a result of the inspection conducted under section 59A, it may investigate the affairs of an insurer and wherever necessary, employ any professional including an auditor or an actuary for assisting it in any such investigation.”.

52. Amendment of section 59A, Ordinance XXXIX of 2000.— In the said Ordinance, in section 59A, in sub-section (1), after the words “and the rules”, the words “and regulations” shall be inserted.

53. Amendment of section 60, Ordinance XXXIX of 2000.— In the said Ordinance, in section 60, sub-section (4) shall be omitted.

54. Amendment of section 61, Ordinance XXXIX of 2000.— In the said Ordinance, in section 61,-

(a) for sub-section (1), the following shall be substituted, namely|:-

“(1) The Commission may by notice in writing direct any insurer, its chief executive officer or its directors and officers, or insurance intermediaries, its chief executive officer or directors and officers, internal actuary, appointed actuary, or auditors to supply the Commission, within such period as the notice may specify, with any information relating to its insurance business or business of the intermediary which the Commission may reasonably require.”;

(b) in sub-section (2), after the expression, “sub-section (1)” the words “by the insurer” shall be inserted and for the words “principal officer” the words “chief executive” shall be substituted;

(c) in sub-section (3), the words “or principal officer” shall be omitted; and

(d) after sub-section (4), a new sub-section (5) shall be inserted, namely:-

“(5) Any person who does not provide information as required by the Commission or conceals a part of the information, within the specified time commits an offence and is liable to be punished under section 158A.”.

55. Amendment of section 63, Ordinance XXXIX of 2000.— In the said Ordinance, in section 63, in sub-section (1), for the full stop at the end a colon shall be substituted and thereafter the following new proviso shall be added, namely:-

“Provided that a direction shall not be issued under this sub-section without giving the insurer an opportunity to be heard.”

56. Amendment of section 65, Ordinance XXXIX of 2000.— In the said Ordinance, in section 65.-

- (a) in sub-section (1), the expression “or principal officer,” shall be omitted and for the expression, “section 187 of the Companies Ordinance”, the expression “section 153 of the Companies Act, 2017” shall be substituted; and
- (b) in sub-section (5), for the words, “Federal Government”, the word “Commission” shall be substituted.

57. Amendment of section 66, Ordinance XXXIX of 2000.— In the said Ordinance, in section 66.-

- (a) in the marginal heading, for the word “prescribe” the word “specify” shall be substituted;
- (b) for sub-section (1), the following shall be substituted, namely:-

“(1) The Commission may make regulations limiting the total amount of acquisition costs which may be incurred by an insurer in a year or a certain class or type of insurers based on the financial strength and solvency position of insurers, among other criteria as may be specified.”.

- (c) in sub-section (2), for the word “rules”, the word “regulations” shall be substituted and after the words “incurred by an insurer”, the words “or a certain class or type of insurers” shall be inserted;
- (d) in sub-section (3),-
 - (i) for the word “Rules”, the word “Regulations” shall be substituted and after the words “to whom the Ordinance applies”, the words “based on certain criteria as may be specified by the Commission” shall be inserted;
 - (ii) in proviso, for the word “rules” the word “regulations” shall be substituted;
- (e) sub-section (4) shall be omitted; and
- (f) in clause (a) of sub-section (5), for the word “prescribed” the word “specified” shall be substituted

58. Amendment of section 67, Ordinance XXXIX of 2000.— In the said Ordinance, in section 67.-

- (a) in the marginal heading, for the word “acquisition”, the word “disposal” shall be substituted;
- (b) for sub-section (1), the following shall be substituted, namely:-

“(1) Any proposed transaction for the disposal of a shareholding of more than ten percent or such other percentage as may be specified by the Commission, in an insurance company, or, in the case of a non-life insurer, of the whole or any part exceeding ten percent, or such other percentage as may be specified by the Commission, measured by either the premium income or the sum of the liabilities for unearned premium, outstanding claims, incurred but not reported claim reserves and the premium deficiency reserve proposed to be acquired of the business located in Pakistan of an insurer whether in one or a number of related transactions and whether at the same or different times shall not proceed unless, on application by the transferor, approval is given by the Commission.

Explanation.- A number of transactions shall be deemed to be related if there being more than one transferor, those transferors are acting together or in concert or if, in all the facts and circumstances of the case, there is such a relationship between the transferors or such common purpose between them so that it would be reasonable to conclude that the transactions are related.”;

(c) for sub-section (2), the following shall be substituted, namely:-

“(2) The application required to be filed under sub-section (1) shall be submitted along with all the relevant documents and information, ought to be provided to the Commission to enable it to make an informed decision and may also be made in such form and be accompanied by such documents as may be specified.”;

(d) after sub-section (5), the following new sub-sections (6) and (7) shall be inserted, namely:-

“(6) Any approval under this section may be granted subject to such conditions as the Commission may determine, including but not limited to any conditions.-

(a) restricting the person’s disposal or further acquisition of shares or voting power in the insurer concerned; or

(b) restricting the person’s exercise of voting power in the insurer.

(7) The Commission may at any time add to, vary or revoke any condition imposed under subsection (6).”

59. Insertion of section 67A, Ordinance XXXIX of 2000.— In the said Ordinance, after section 67, the following new section 67A shall be inserted, namely:-

“67A. Approval for acquisition or transfer.- (1) Any proposed transaction for the acquisition of a shareholding of more than ten percent or such other percentage as may be specified by the Commission, in an insurance company, or, in the case of a non-life insurer, of the whole or any part exceeding ten percent, or such other percentage as may be specified by the Commission, measured by either the premium income or the sum of the liabilities for unearned premium, outstanding claims, incurred but not reported claim reserves and the premium deficiency reserve proposed to be acquired of the business located in Pakistan of an insurer whether in one or a number of related transactions and whether at the same or different times shall not proceed unless, on application by the acquirer, approval is given by the Commission.

Explanation.- A number of transactions shall be deemed to be related if there being more than one acquirer, those acquirers are acting together or in concert or if, in all the facts and circumstances of the case, there is such a relationship between the

acquirers or such common purpose between them so that it would be reasonable to conclude that the transactions are related.

(2) The application required to be filed under sub-section (1) shall be submitted along with all the relevant documents and information, ought to be provided to the Commission to enable it to make an informed decision and may also be made in such form and be accompanied by such documents as may be specified.

(3) The Commission may, within fifteen days from the receipt of the application, require the applicant to submit such further documents and information as may be required for it to make an informed decision about the transaction in the interests of policy holders and shareholders and the applicant shall provide the same within a period of seven days or such later period as the applicant may in writing request.

(4) If after sixty days of the receipt of the application or the receipt of any additional material under sub-section (3), approval has not been granted or a notice given to the applicant declining approval, the Commission shall be deemed to have given its approval:

(5) Approval given or deemed to be given by the Commission under this section shall not preclude the necessity of obtaining any such approval or consent required to be obtained from the Commission under the provisions of any other applicable law.

(6) Any approval under this section may be granted subject to such conditions as the Commission may determine, including but not limited to the following condition.-

- (a) restricting the applicant's disposal or further acquisition of shares or voting power in the insurer concerned; or
- (b) restricting the applicant's exercise of voting power in the insurer.

(7) The Commission may at any time add to, vary or revoke any condition imposed under subsection (6).”

60. Amendment of section 68, Ordinance XXXIX of 2000.- In the said Ordinance, in section 68, in clause (b) of sub-section (3), for the word “prescribed” the word “notified” shall be substituted.

61. Amendment of section 70, Ordinance XXXIX of 2000.— In the said Ordinance, in section 70,

- (a) in clause (b), for the words “principal officer” the words “chief executive” shall be substituted.
- (b) in sub-clause (i) of clause (c), for the word “prescribed” the word “notified” shall be substituted

62. Amendment of section 72, Ordinance XXXIX of 2000.— In the said Ordinance, in section 72, for sub-section (1), the following shall be substituted, namely:-

“(1) The holder of a policy of life insurance on his own life or otherwise, shall, when effecting the policy, nominate the person or persons to whom the amount insured by the policy shall be paid and the proportion of such benefits to be paid to each nominee in the event of his death:

Provided that the insurer is required to obtain, at the time of policy inception, the information of nominee and the proportion in which benefits are payable to each nominee:

Provided further that the policyholder may change the nominees or the proportions of benefits to be paid to each nominee during the term of the policy.

Provided also that where any nominee is a minor, it shall be lawful for the policy holder to appoint in the specified manner any person to receive the money secured by the policy in the event of his death during the minority of the nominee.”.

63. Amendment of section 77, Ordinance XXXIX of 2000.— In the said Ordinance, in section 77.-

(a) in sub-section (2), in clause (a), the word “and” appearing after the semicolon, shall be omitted and thereafter the following new clause (aa) shall be inserted, namely:-

“(aa) clearly mention rights of the policyholder in the policy document; and”;

(b) in sub-section (3), after the expression “such failure”, the words “ and where an insurer refuses the claim, the refusal intimation should clearly mention the reasons for such refusal” shall be inserted;

64. Insertion of sections 77A, 77B and 77C, Ordinance XXXIX of 2000.— In the said Ordinance, after section 77, the following new sections 77A, 77B and 77C shall be inserted, namely:-:

“77A. Power to specify manner of presentation of policy benefits.- The Commission may specify through regulations the form and manner of presentation

of prospective benefits of the life insurance investment products which may include, among other things, the benchmarks or indices with which, the illustration of benefits, cash values or surrender values may be required to be linked.

77B. Premium to be refunded in full, if policy is found to be missold.-

(1) Where a policyholder has intimated, within thirteen months after the issuance of policy, to the insurer that the policy was missold and the insurer subsequently determines that the policy was missold in accordance with sub-section (2) to (3), then hundred per cent of the premium paid by the policyholder will be returned to him and entire commission paid by the insurer to the agent will be clawed back.

(2) Upon receipt of intimation from a policyholder regarding misselling, an insurer shall be responsible to investigate that the policy was actually missold within thirty days from the date of receipt of such intimation.

(3) For the purpose of this section, an insurance policy shall be considered as missold if any of the regulatory requirements regarding market conduct, conduct of agent or manner of selling, or any other requirement as may be specified, has not been complied with in letter and spirit.

(4) This section shall apply to life insurance regular premium products and such other products of life and non-life insurance as the Commission may specify.

77C. Mechanism to ensure policyholder's understanding of policy terms

(1) The insurers shall formulate a mechanism to ensure that the policyholders have adequate knowledge and understanding about the appropriateness of product they have purchased.

(2) The Commission may specify through regulations requirements related to establishment of such mechanism, specific timelines, categories or types

of products for which this mechanism is required to be used, and such other additional requirements as it may deem fit.”.

65. Amendment of section 78, Ordinance XXXIX of 2000.— In the said Ordinance, in section 78, after the words “provision of this Ordinance” the words “or rules and regulations made thereunder”; shall be inserted.

66. Amendment of section 80, Ordinance XXXIX of 2000.— In the said Ordinance, in section 80, after the words “after the expiry of two years from the date on which it was effected”, the words “or reinstated” shall be inserted;

67. Amendment of section 82, Ordinance XXXIX of 2000.— In the said Ordinance, in section 82,-

- (a) in the marginal heading, for the words “a life” the word “an” shall be substituted;
- (b) in sub-section (1), the word “life” shall be omitted;
- (c) in sub-section (2), for the words “A life” the word “An” shall be substituted and the word “life” appearing for the second time shall be omitted;
- (d) in sub-section (3), the word “life” shall be omitted and after the words “notice to the policyholder” the words “or the beneficiary of the policy” shall be inserted; and
- (e) after sub-section (5), new sub-sections (6) and (7) shall be inserted, namely:-

“(6) The insurer may recover from the policyholder or beneficiary any sums paid by the insurer in respect of the fraudulent claim and the directly incremental costs in respect of claim settlement or investigation.

(7) Nothing in this section allows a life insurer to forfeit the accumulated cash value or surrender value and other benefits payable to the policyholder or beneficiary in accordance with the terms of the life insurance policy.”

68. Amendment of section 83, Ordinance XXXIX of 2000.— In the said Ordinance, in section 83,-

- (a) in the marginal heading, for the words “prescribe rules”, the word “specify regulations” shall be substituted;
- (b) in sub-section (1), for the word “rules” the word “regulations” shall be substituted;
- (c) in sub-section (2) for the word “Rule” wherever occurring for the, the word “regulation” shall be substituted;
- (d) after sub-section (2), the following new sub-section (3) shall be inserted, namely:-

“(3) Without prejudice to the generality of sub-section (1), the Commission may make regulations with respect to —

- (a) the standards to be maintained by an insurer and insurance intermediary in the conduct of business under this Ordinance, including the standards in relation to the obligation to disclose information to policy holders;

- (b) the qualifications, experience and training of an insurance intermediary and, where the insurance intermediary is a company or a body corporate, of its directors, chief executive, officers and employees; and
- (c) the procedure for the conduct of disciplinary control of insurance intermediaries and, where the insurance intermediary is a company or a body corporate, of its directors, chief executive, officers and employees.”.

69. Amendment of section 84, Ordinance XXXIX of 2000.— In the said Ordinance, in section 84, in sub-section (1), for the words “prescribed by rules” the words “specified by regulations” shall be omitted.

70. Amendment of section 85, Ordinance XXXIX of 2000.— In the said Ordinance, in section 85,-

- (a) in sub-section (1), for the word, “rules”, the word “regulations” and for the word “prescribed” the word “specified” shall be substituted;
- (b) in sub-section (2), for the words “rules made under sub-Rule”, the words “regulations made under sub-section” shall be substituted;

71. Amendment of section 86, Ordinance XXXIX of 2000.— In the said Ordinance, in section 86, in sub-section (4), the words “or customer” occurring twice shall be omitted and after the word “borrower,” occurring for the first time, the expression “if the cost of insurance is to be borne by the borrower, whether explicitly or implicitly,” shall be inserted.

72. Amendment of section 94, Ordinance XXXIX of 2000.— In the said Ordinance, in section 94,-

- (a) in the marginal heading, for the word “This” the words “Certain provisions of this” shall be substituted; and
- (b) for the words “The provisions” the expression “Sections 95 to 101, 103, 109 and 114” shall be substituted.

73. Insertion of section 94A, Ordinance XXXIX of 2000.— In the said Ordinance, after section 94, the following new section 94A shall be inserted, namely:-

“94A. Representation by insurance intermediary.- (1) No insurance intermediary shall, with intent to deceive, make a false or misleading statement as to —

- (a) any amount that would be payable in respect of a proposed contract of insurance; or
- (b) the effect of any provision of a contract of insurance or a proposed contract of insurance.

(2) A reference in sub-section (1) to making a misleading statement includes a reference to omitting to disclose any matter that is material to a statement.

(3) No insurance intermediary shall, with intent to deceive, in relation to a proposed contract of insurance, —

- (a) write on a form, being a form that is given or sent to an insurer, any matter that is material to the contract and is false or misleading in a material particular;
- (b) omit to disclose to the insurer any matter that is material to the proposed contract;
- (c) advise or induce the intending insured to write on a form, being a form that is given or sent to an insurer, any matter that is false or misleading in a material particular; or
- (d) advise or induce the intending insured to omit to disclose to the insurer any matter that is material to the proposed contract.

(4) No insurance intermediary shall, with intent to deceive, in relation to a claim under a contract of insurance,-

- (a) fill up, in whole or in part, a form, being a form that is given or sent to an insurer, in such a way that the form is false or misleading in a material particular;
- (b) omit to disclose to the insurer any matter that is material to the claim;
- (c) induce the insured to fill up, in whole or in part, a form, being a form that is given or sent to the insurer, in such a way that the form is false or misleading in a material particular; or

(d) advise or induce the insured to omit to disclose to the insurer any matter that is material to the claim.

(5) Where it has been brought into the notice of an insurer, through any means, prior to the issuance of an insurance policy or after the issuance of the policy or at the time of claim intimation or thereafter, that its insurance intermediary, has acted in contravention of sub-section (1), (3) and (4), the concerned insurer shall undertake an investigation against the concerned insurance intermediary in relation to the alleged contravention and shall take such remedial actions, as are necessary to protect the interests of the policyholder or the nominees of the policyholder, as the case may be.

(6) Where under an investigation carried out by an insurer in accordance with sub-section (5) above, the insurer determines that the concerned insurance intermediary has acted in contravention of sub-section (1), (3) and (4), the concerned insurer shall disqualify such insurance intermediary for a period of not less than three years and shall also take such other action as deemed fit by the insurer:

Provided that where an intermediary has been disqualified by the concerned insurer under this sub-section, such intermediary shall stand disqualified for a period not less than three years to act as intermediary for all the financial sectors regulated by the Commission.

(7) The insurer shall also obligated to submit the findings of the investigation carried under sub-section (5) with the Commission, and the Commission may, without prejudice to the actions taken by the insurer under sub-section (6), may take further necessary actions or may make further recommendations to the insurer, as are considered to be appropriate by the Commission keeping in view the circumstances of contravention by the insurance intermediary.”.

74. Amendment of section 96, Ordinance XXXIX of 2000.— In the said Ordinance, in section 96,-

- (a) in sub-section (1),-
 - (i) for the words “body corporate, any director of the body corporate, or officer of the body” the expression “ a company or a firm or a body corporate (including a limited liability partnership as defined in the Limited Liability Partnership Act, 2017), any director of the company or a firm or a body corporate, or officer of the company or a firm or a” shall be substituted; and
 - (ii) in clause (f), for the words “by the Tribunal”, the expression “by any insurer under sub-section (6) of section 94A, or by the Commission or the Tribunal” shall be substituted;
- (b) in sub-section (2), after the words “under a contract in writing” the words “and registration in the manner as may be specified” shall be inserted;
- (c) after sub-section (5), the following new sub-section (6) shall be inserted, namely:-

“(6) No person shall solicit any insurance business for any insurer other than a licenced insurer;

Explanation.- “Solicit”, in relation to insurance business means, offering to, inviting, or issuing any advertisement containing any offer or invitation to, the public or any section of the public in Pakistan to enter into a contract of insurance.”.

75. Amendment of section 97, Ordinance XXXIX of 2000.— In the said Ordinance, in section 97, for the word “prescribe” the word “specify” shall be substituted and after the expression “educational requirements,” the expression “training and professional development requirements, examination and/or certification requirements,” shall be inserted;

76. Amendment of section 99, Ordinance XXXIX of 2000.— In the said Ordinance, in section 99, after sub-section (5), the following new sub-section (6) shall be inserted, namely:-

“(6) It shall be prohibited for any insurer or any of its agents to receive premium from the policyholder otherwise than by a cross cheque, pay order or electronic funds transfer or in such other manner as may be specified:

Provided that this sub-section shall not apply to premium received by the insurer or any of its agents, which do not in the aggregate in one year exceed the sum of fifty thousand rupees or such other amount as may be specified by the Commission from time to time:

Provided further that the requirement of this sub-section shall come into effect after six months of the coming into effect of this amendment.”.

77. Amendment of section 101, Ordinance XXXIX of 2000.— In the said Ordinance, in section 101.-

- (a) in the marginal heading, the word “life” occurring twice, shall be omitted; and
- (b) in sub-section (1), the word “life” occurring twice shall be omitted.

78. Omission of section 102, Ordinance XXXIX of 2000.— In the said Ordinance, section 102 shall be omitted.

79. Omission of section 104, Ordinance XXXIX of 2000.— In the said Ordinance, section 104 shall be omitted.

80. Amendment of section 106, Ordinance XXXIX of 2000.— In the said Ordinance, in section 106, in sub-section (1), for the words, “policyholder or an insurer”, the expression “policyholder, if authorised by the insurer, or from an insurer” shall be substituted.

81. Omission of section 109, Ordinance XXXIX of 2000.— In the said Ordinance, section 109 shall be omitted.

82. Substitution of section 110, Ordinance XXXIX of 2000.— In the said Ordinance, for section 110, the following shall be substituted, namely:-

“110. Power to inspect insurance intermediaries.- The Commission may, in accordance with procedures specified, visit the premises of an insurance broker, reinsurance broker or a third party administrator or an insurance surveyor or of an agent of an insurance company or an insurance self-network platform any other insurance intermediary notified by the Commission, to establish compliance by the broker or reinsurance broker, or the third party administrator, or the surveyor, or the agent, or any insurer of which the broker or agent is agent, or the insurance self-network platform, or any other insurance intermediary notified by the Commission with the provisions of this law or rules or regulations framed hereunder relating to insurance contracts, brokers, reinsurance brokers, third party administrators, surveyors, agents, insurance self-network platform and other notified intermediaries.”

83. Omission of sections 111, 112 and 113, Ordinance XXXIX of 2000.—

In the said Ordinance, sections 111, 112 and 113 shall be omitted.

84. Amendment of section 114, Ordinance XXXIX of 2000.—

In the said Ordinance, in section 114, for the words “Surveyors and authorised”, the word “Authorised” and for the word “prescribed” the word “specified” shall be substituted.

85. Insertion of sections 114A, 114B and 114C, Ordinance XXXIX of

2000.— In the said Ordinance, after section 114, the following new sections 114A, 114B and 114C shall be inserted, namely:-

“114A. Prohibition to act as a direct insurance broker and reinsurance broker in a single risk.- (1) It shall be unlawful for a licenced insurance broker to perform the role as a direct insurance broker and as a reinsurance broker in placement of a single account or risk.

(2) It shall also be unlawful for a licenced reinsurance broker to perform the role as a direct insurance broker and as a reinsurance broker in placement of a single account or risk.

114B. Ownership and management interests inter se of insurance and reinsurance brokers and insurers prohibited.- No insurer and no director of an insurer shall hold any direct or indirect ownership interest in an insurance broker or in a reinsurance broker or take part in the management or direction of an insurance broker or reinsurance broker, and vice versa.

114C. Other insurance intermediaries.- (1) The Commission may through notification in the official gazette notify such other classes of insurance or reinsurance intermediaries and conditions and requirements for licencing and other operational requirements thereof to be specified by the Commission through regulations as it may consider expedient from time to time.

(2) It shall be unlawful for any person, belonging to such class of insurance or reinsurance intermediary which has been notified by the Commission under sub-section (1), to act as or describe himself or hold himself out or permit himself to be described or held out as insurance or reinsurance intermediary of such notified class in respect of insurance or reinsurance business unless he holds a valid licence issued by the Commission.”.

86. Amendment of section 116, Ordinance XXXIX of 2000.— In the said Ordinance, in section 116, in sub-section (3), for the words “a principal officer”, the words “the chief executive officer” shall be substituted.

87. Amendment of section 117, Ordinance XXXIX of 2000.— In the said Ordinance, in section 117,-

- (a) in the marginal heading, the word “Small” shall be omitted;
- (b) in sub-section (1), for the words, “Federal Government”, the word “Commission” shall be substituted and the word “Small” appearing shall be omitted;
- (c) in sub-section (2), for the words “prescribed by rules made by the Federal Government” the words “specified by regulations by the Commission” shall be substituted;
- (d) in sub-section (4), for the word “life” appearing for the first time, the word “direct”, for the expression “not being group life policies, domestic insurance policies and private motor insurance policies in respect” the words “on account” and for the word “prescribed” the word “specified” shall be substituted;

(e) after sub-section (4), the following new sub-section (5) shall be inserted, namely:-

“(5) An insurer licenced under this Ordinance shall be deemed to have undertaken to abide by the decisions of any of the disputes resolution committees constituted under this section.”.

88. Amendment of section 118, Ordinance XXXIX of 2000.— In the said Ordinance, in section 118, in sub-section (2), after the words, “rests at the monthly rate five per cent”, the expression “, or such other percentage as may be specified by the Commission,” shall be inserted.

89. Insertion of sections 120A, 120B, 120C, 120D and 120E, Ordinance XXXIX of 2000.— In the said Ordinance, after section 120, the following new sections shall be inserted, namely:-

120A. Insurance repository and/or information sharing arrangement for insurers.- The Commission shall have the power to direct the insurers to become part of insurance repository/ information sharing arrangement including cyber security information sharing platforms and may specify any requirements regarding the conduct and manner of operation of such arrangement or platforms and ancillary matters thereto.

120B. Prevention of offences relating to money laundering and terrorist financing.- (1) Every insurance company, insurer, microinsurers, insurance intermediaries and other related entities registered or licensed under this Ordinance shall endeavor to prevent the commission of offences of money laundering as provided in Anti Money Laundering Act, 2010 (VII of 2010) and counter financing of terrorism laws for the time being in force with respect affairs of its business and share take adequate measures for this purposes.

(2) whoever fails to comply with requirements of this section shall be liable to punishment as provided in the Anti Money Laundering Act, 2010 (VII of 2010) and any other law for the time being in force relating to counter financing of terrorism.

120C. Macro-prudential supervision.- (1) The Commission shall have the power to undertake macro-prudential supervision of entities engaged in providing insurance services in the country and shall establish systems and processes that are capable to monitor the vulnerability of the insurance sector with respect to economic and financial shocks.

Explanation – Macro-prudential supervision means a supervisory framework governed through supervisory processes whereby individual insurers are supervised through information collected by identification, monitoring and analysis of macro-prudential factors such as economic, demographic, social, financial developments and other environmental factors that may impact insurers and insurance markets.

(2) The Commission shall have power to specify through regulations the requirements to be imposed on entities engaged in providing insurance services in order to perform macro-prudential supervision under this Ordinance.

120D. Tie up between life insurer and non-life insurer undertaking microinsurance business.- (1) An insurer carrying on life microinsurance business may, under a written agreement with an insurer carrying on non-life microinsurance business, be allowed to offer non-life microinsurance business to microinsurance policyholders, in the manner provided herein,-

- (a) the premium attributable to the non-life microinsurance product, shall be collected from the policyholder or the prospective policyholder, by the insurer carrying on life microinsurance business or any of its appointed intermediaries;

- (b) In the event of any claim related to the non-life microinsurance product referred in clause (a), the concerned life insurer or any of its appointed intermediaries, shall forward the claim to the concerned non-life insurer and offer all assistance for the expeditious disposal of the claim.

(2) An insurer carrying on non-life microinsurance business may, under a written agreement with an insurer carrying on life microinsurance business, be allowed to offer life microinsurance business to microinsurance policyholders, in the manner provided herein-

- (a) the premium attributable to the life microinsurance product, shall be collected from the policyholder or the prospective policyholder, by the insurer carrying on non-life microinsurance business or any of its appointed intermediaries;
- (b) In the event of any claim related to the life microinsurance product referred in clause (a), the concerned non-life insurer or any of its appointed intermediaries, shall forward the claim to the concerned life insurer and offer all assistance for the expeditious disposal of the claim.

120E. Provisions of the Ordinance to apply to microinsurers, reinsurers or takaful operators.- Except as specifically provided in this Ordinance or as may be specified through notification in the official Gazette by the Commission, the provisions of this Ordinance as are applicable to an insurer or insurance business shall *mutatis mutandis* apply to a microinsurer or microinsurance business, to a reinsurer or reinsurance business, to an operator or takaful business, as the case may be.

90. Amendment of section 122, Ordinance XXXIX of 2000.— In the said Ordinance, in section 122, in sub-section (3), in the proviso, for the words, “Small Claims Settlement Committee”, the words “Dispute Resolution Committees” shall be substituted.

91. Amendment of section 123, Ordinance XXXIX of 2000.— In the said Ordinance, in section 123,-

- (a) in sub-section (1), for the word “prescribed” the words “provided by rules made by the Federal Government” shall be substituted; and
- (b) in sub-section (6), for the word “prescribed” the words “provided by rules made by the Federal Government” shall be substituted.

92. Insertion of section 124A, Ordinance XXXIX of 2000.— In the said Ordinance, in Part XVI – INSURANCE OMBUDSMAN, after section 124, the following new section 124A shall be inserted, namely:-

124A. Special definitions applicable to this Part.- In this Part, “Act” shall mean the Federal Ombudsmen Institutional Reforms Act, 2013 (Act No. XIV of 2013).

93. Amendment of section 125, Ordinance XXXIX of 2000.— In the said Ordinance, in section 125,-

- (a) for sub-section (1), the following shall be substituted, namely:-

“(1) The President shall appoint an Insurance Ombudsman entrusted to discharge the functions vested upon him through this Ordinance.”;

- (b) for sub-section (2), the following shall be substituted, namely:-

“(2) The Insurance Ombudsman shall be a natural person having high integrity and ability and unimpeachable insurance or legal credentials. He and his spouse shall not be a shareholder of an insurance company.”;

- (c) in sub-section (3), after the words “resigns earlier” the expression “in writing under his hand addressed to the President,” shall be inserted and for the expression “sub-section (2) or (3) of section 126” the expression “section 5 of the Act” shall be substituted and for the full stop at the end a colon shall be substituted and thereafter the following provisos shall be added, namely:-

“Provided that the Insurance Ombudsman shall continue to hold office after expiry of his tenure till his successor enters upon the office:

Provided further that if at any time when the office of the Insurance Ombudsman is vacant or he is unable to perform his functions due to any cause, the President shall appoint an Acting Insurance Ombudsman who shall perform functions and exercise powers as are vested in the Insurance Ombudsman and shall be entitled to all privileges as are admissible to the Insurance Ombudsman:

Provided also that till such time the Acting Insurance Ombudsman is appointed, the Wafaqi Mohtasib (Ombudsman) shall act as Insurance Ombudsman of the concerned office and in case the Wafaqi Mohtasib is absent or unable to perform functions of his office, the Federal Tax Ombudsman shall act as Insurance Ombudsman.”.

- (d) in sub-section (5), before the words, “body corporate”, the words “insurance company or” shall be inserted;

94. Substitution of section 126, Ordinance XXXIX of 2000.— In the said Ordinance, for section 126, the following shall be substituted, namely:-

“126. Terms and conditions of Insurance Ombudsman.- The terms and conditions of the Insurance Ombudsman shall be governed under the Act and as revised from time to time.”.

95. Amendment of section 127, Ordinance XXXIX of 2000.— In the said Ordinance, in section 127, for sub-section (1), the following shall be substituted, namely:-

“(1) The Insurance Ombudsman may on a complaint by any aggrieved person undertake any investigation into any allegation of the following on the part of any insurance company-

- (a) mal-administration, as provided in sub-section (2);
- (b) any partial or total repudiation of claims by the insurance companies;
- (c) dispute with regard to premium paid or payable in terms of the policy;
- (d) dispute on the legal construction of the policy wordings in case such dispute relates to claims;
- (e) delay in settlement of claims; and
- (f) non-issuance of any insurance document to customers after receipt of premium:

Provided that the Insurance Ombudsman shall not have any jurisdiction to investigate or inquire into any matters which is *sub-judice* before a court of competent jurisdiction or tribunal or board in Pakistan on the date of the receipt of a complaint, reference or motion by him.”.

96. Amendment of section 129, Ordinance XXXIX of 2000.— In the said Ordinance, in section 129,-

- (a) in sub-section (3), after the words “for investigating a complaint” the expression “, and the procedure so adopted shall not, in any way, be inconsistent with the provisions of this Ordinance and the Act” shall be inserted;
- (b) in sub-section (3), in the proviso, for the words “against a insurance company” the words “against an insurance company” shall be substituted; and
- (c) in sub-section (4), the expression “to issue an order in the nature of a stay order or” shall be omitted.”.

97. Amendment of section 130, Ordinance XXXIX of 2000.— In the said Ordinance, in section 130,-

- (a) for sub-section (2), the following shall be substituted, namely:-

“(2) Any insurance company, or official of an insurance company or a complainant aggrieved by an order passed by the Insurance Ombudsman, may file a review with the Insurance Ombudsman or a representation before the President under the provisions of the Act.”

- (b) for sub-section (3), the following shall be substituted, namely:-

“(3) Any order-

- (a) passed by the Insurance Ombudsman, other than the order passed in pursuance of section 13 of the Act, against which neither any review application has been filed nor has any representation been filed before the President; or
- (b) passed by the Insurance Ombudsman in pursuance of section 13 of the Act against which no representation before the President has been filed; or
- (c) passed or a decision taken under section 14 of the Act,

as the case may be, shall become final and operative and if not implemented shall render the insurance company concerned liable to such action including the imposition of a fine or penalty as the Commission may deem fit, and in relation to an insurance company officer, to the appropriate disciplinary or other proceedings.”.

98. Amendment of section 132, Ordinance XXXIX of 2000.— In the said Ordinance, in section 132, in sub-section (2), for the word “wilful” the words “willful” shall be substituted.

99. Amendment of section 134, Ordinance XXXIX of 2000.— In the said Ordinance, in section 134, in sub-section (1), for the words “Federal Government” the words “Commission” shall be substituted.

100. Amendment of section 143, Ordinance XXXIX of 2000.— In the said Ordinance, in section 143,-

- (a) in sub-section (1), for the expression “Companies Ordinance, 1984 (XLVII of 1984)”, the expression “Companies Act, 2017 (XIX of 2017)” shall be substituted; and

- (b) in sub-section (2),-
 - (i) in clause (a) for the expression “section 305 of the Companies Ordinance, 1984 (XLVII of 1984)”, the expression “section 301 of the Companies Act, 2017 (XIX of 2017)” shall be substituted; and
 - (ii) in clause (c),-
 - (I) in sub-clause (ii), for the expression “insolvent; or” the expression “unable to meet its obligations;” shall be substituted;
 - (II) after sub-clause (iii), the following new sub-clauses shall be inserted, namely:-
 - “(iv) the company or its intermediaries are carrying on business which is detrimental to the policy holders;
or
 - (v) the licence of the insurer has been revoked.”.

101. Amendment of section 144, Ordinance XXXIX of 2000.— In the said Ordinance, in section 144, for the expression, “Companies Ordinance, 1984 (XLVII of 1984)”, the expression “Companies Act, 2017 (XIX of 2017)” shall be substituted.

102. Amendment of section 153, Ordinance XXXIX of 2000.— In the said Ordinance, in section 153,-

- (a) in sub-section (3), for the expression, “section 405 of the Companies Ordinance”, the expression “section 390 of the Companies Act, 2017 (XIX of 2017)” shall be substituted; and
- (b) in sub-section (4), for the expression, “section 405 of the Companies Ordinance, 1984 (XLVII of 1984)”, the expression “section 390 of the Companies Act, 2017 (XIX of 2017)” shall be substituted;

103. Substitution of section 156, Ordinance XXXIX of 2000.— In the said Ordinance, for section 156, the following shall be substituted, namely:-

“156. Penalty for default in complying with, or acting in contravention of this Ordinance.- (1) Except as otherwise provided in this Ordinance, any person who knowingly makes default in complying with or acts in contravention of any requirement of this Ordinance, or rules or regulations or any direction made by the Commission, and any director, or other officer of such person, who is knowingly a party to the default, shall be punishable by the Commission with fine which may extend to one million rupees and, in the case of a continuing default, with an additional fine which may extend to ten thousand rupees for every day during which the default continues.

(2) Notwithstanding sub-section (1), the Commission may impose an additional penalty, not exceeding the amount of actual loss caused if the person, or its directors or officers, has failed to comply with any provision of this Ordinance or rules or regulations made under this Ordinance or direction given by the Commission under this Ordinance and the non-compliance has resulted in a loss to any other person.”.

104. Amendment of section 157, Ordinance XXXIX of 2000.— In the said Ordinance, in section 157,-

- (a) in the marginal heading, the word “insurance” shall be omitted;
- (b) for sub-section (1), the following shall be substituted

“Any person or any person acting on behalf of an insurer, a microinsurer, a reinsurer or an insurance intermediary, who carries on any business in contravention of any of the provisions of sections 5 and 6 and in the case of an insurer, microinsurer and reinsurer of section 29, or does any one or more of the acts constituting the business of insurance, microinsurance, reinsurance or of insurance intermediation in contravention of any of the said sections shall be punishable with fine which may extend to two million rupees.”

- (c) in sub-section (2), for the colon at the end a full stop shall be substituted and thereafter the proviso shall be omitted.

105. Insertion of section 158A, 158B, 158C, 158D, 158E and 158F Ordinance XXXIX of 2000.— In the said Ordinance, after section 158, the following new sections shall be inserted, namely:-

“158A. Penalty for not providing information.- Any person who is directed by the Commission to provide information under section 61 of this Ordinance and who willfully does not provide such information or conceals a part of the information, within the specified time shall be punishable by the Commission with fine which may extend to five hundred thousand rupees.

158B. Power of Court trying offences under the Ordinance to direct compliance with the provisions.- The Court, the Commission, or other officer trying an offence for a default in compliance with any provisions or requirements of this Ordinance may, at any time during the pendency of the trial or at the time of passing final order, direct, without prejudice to any liability, any person, insurance intermediary, office, auditor, actuary or employee of the insurer in respect of which the default has been committed to comply with the said provisions or requirements within such time as may be specified in the order.

158C. Sanctions for contravention.- The Commission may in addition to the penalties provided under this Part in respect of an insurer or intermediary as it deems fit,-

- (a) Issue a warning;
- (b) Restrict such person from whole or partial business activity;
- (c) Prohibit such person from entering certain insurance products;
- (d) suspend or cancel the licence of insurer; and
- (e) suspend or revoke the licence of the insurance intermediary.

158D. Procedural requirements for exercise of powers.- The Commission shall not exercise any power under this Part without first giving the person in respect of whom the power is to be exercised a reasonable opportunity of being heard.

106. Amendment of section 160, Ordinance XXXIX of 2000.— In the said Ordinance, in section 160,-

- (a) in sub-section (2), for the words “principal officer” the words “chief executive” shall be substituted; and
- (b) in sub-section 12, for the expression “section 418 of the Companies Ordinance, 1984 (XLVII of 1984)”, the expression “section 403 of the Companies Act, 2017 (XIX of 2017)” shall be substituted.

107. Amendment of section 165, Ordinance XXXIX of 2000.— In the said Ordinance, in section 165,-

- (a) in sub-section (1), for the words “Federal Government” the word “Commission” and for the word “rules” the word “regulations” shall be substituted; and
- (b) in sub-section (2), for the words “Federal Government” the word “Commission” and for the word “rules” the word “regulations” shall be substituted and after the words “Pakistan Rupee”, the expression “, subject to approval of the State Bank of Pakistan,” shall be inserted.

108. Insertion of section 166A and 166B, Ordinance XXXIX of 2000.— In the said Ordinance, after section 166, the following new sections shall be inserted, namely:-

“166A. Compliance with the requirements of international jurisdictions.- (1)

Where an insurer undertakes insurance business outside Pakistan, it shall ensure compliance with the laws applicable to it under that jurisdiction.

(2) From the commencement date of this section, every insurer shall prior to undertaking insurance business in any jurisdiction outside Pakistan, apply before the Commission for its approval and the application so made shall be made in such manner and form as may specified and shall be accompanied by such documents as may be specified.

(3) Every insurer to which this section applies shall disclose compliance with the provisions of sub-section (1) above in the statements and returns furnished by it under section 46 of this Ordinance.

166B. Report on insurance sector by the Commission.- (1) The Commission shall prepare and submit with the Board on or before the 30 June of every year following the coming into effect of this amendment a report setting out a review of the Commission’s performance in relation to the insurance sector during the preceding year.

(2) The report shall at a minimum cover the key statistics, profitability, solvency, capital adequacy, systemic risk in the insurance sector, emerging trends in adoption of technology, effectiveness of complaint redressal systems, business performance of significant segments of insurance business, the reforms introduced, actions undertaken or initiated by the Commission during the preceding year.

(3) The Commission shall make the report, prepared and submitted with the Board under sub-section (1), available to the public in such manner as may be deemed fit by the Commission.”

109. Substitution of section 167, Ordinance XXXIX of 2000.— In the said Ordinance, for section 167, the following shall be substituted, namely:-

“167. Power to make rules.- The Commission with the prior approval of the Federal Government may make rules to carry out the purposes of this Ordinance:

Provided that the power to make rules conferred by this section shall be subject to the condition of previous publication and before making rules the draft thereof may be published in the manner considered most appropriate by the Commission for eliciting public opinion thereon within a period of not less than fifteen days from the date of publication.”.

110. Insertion of section 167A and 167B, Ordinance XXXIX of 2000.— In the said Ordinance, after section 167, the following new sections 167A and 167B shall be inserted, namely:-

“167A. Power to make regulations.- (1) The Commission may, by notification in the official Gazette, make such regulations not inconsistent with provisions of the Ordinance and the rules made thereunder as are necessary to carry out the purposes of the Ordinance and incidental and connected matters:

Provided that the power to make regulations conferred by this section shall be subject to the condition of previous publication and before making any regulations the draft thereof may be published in the manner considered most appropriate by the Commission for eliciting public opinion thereon within a period of not less than fifteen days from the date of publication.

Provided further that where the existing rules made by the Federal Government are being re-notified as regulations without any change to the rules the condition of previous publication for eliciting public opinion shall not be applicable.

(2) Without prejudice to the generality of sub-section (1), the Commission make regulations for the purposes of regulating and for the purposes of the organized development of all or any of the following matters, namely:–

- (a) index based insurance segment of insurance business in Pakistan, which shall include but shall be not be limited to the following:
 - (i) the manner in which conduct of index based insurance business shall be conducted;
 - (ii) requirements related to index based insurance products and ancillary matters;
 - (iii) reporting requirements of index based insurance business,
 - (iv) range of services required to deliver index based insurance product, relevant to the insurers, the microinsurers or the entity engaged in disaster risk insurance and the insurance intermediaries;
 - (v) requirements related to the communication with the policyholder or the covered persons;

- (vi) requirements related to training of insurance intermediaries engaged in distribution of index based insurance products;
 - (vii) requirement related to the manner and timing of claim settlement;
 - (viii) requirements related to determination and functioning of the underlying index; and
 - (ix) any other ancillary matter.
- (b) adoption, manner and usage of emerging technology based platforms and processes including but not limited to InsurTech which shall include but shall be not be limited to the following:
- (i) types of permissible technology platforms to be used in insurance operations;
 - (ii) role of the Commission, licenced insurers, microinsurers, dispute settlement forums, insurance intermediaries, technology service providers and the insurance policyholders;
 - (iii) measures for ensuring privacy of data including policyholder information;
 - (iv) reporting requirements of insurance business undertaken through technology based platforms and processes; and
 - (v) any other ancillary matter.
- (c) establishment, conduct and manner of operation of guarantee fund for the insolvency of insurers, matters connected with membership of the guarantee fund by insurers, contribution of amounts by insurers, and the fee to be paid

by insurers in connection with the development of the fund, management and operations of the fund and other matters connected and incidental thereto;

Explanation: The guarantee fund for the insolvency of insurer means the pool of funds created to provide for payment of policy benefits in case of insolvency of an insurer and is formed through mandatory participation of all insurers;

- (d) regulating microinsurance business and persons connected with the conduct of microinsurance business for organized development, outreach and penetration of microinsurance in Pakistan;
- (e) regulation of takaful business, takaful operators and window takaful operators and person connected with the conduct of takaful business for organized development, outreach and penetration of takaful products in Pakistan;
- (f) regulating reinsurance business and persons connected with the conduct of reinsurance business for organized development, outreach and penetration of reinsurance in Pakistan;
- (g) unclaimed insurance benefits and the manner in which unclaimed insurance benefits shall be held by an insurer, its manner of publication, manner of application for claiming of unclaimed insurance benefits and its payment by the insurer, reporting requirements and other matters connected or incidental thereto;
- (h) requirements applicable on insurers for fair treatment of insurance policyholders;

- (i) requirements regarding licencing, conduct and manner of operation, paid up capital, solvency, statutory deposit, reinsurance arrangements and other related matters of an entity or entities engaged in providing disaster risk insurance and ancillary services in Pakistan;

Provided that the regulations made under this clause may also specify the requirements to be imposed on licenced insurer engaged in underwriting of disaster risk insurance business which may extend to specifying requirements in relation to solvency of the disaster risk insurance portfolio;

- (j) requirements for insurance brokers and reinsurance brokers in relation to minimum paid up capital, statutory deposits, professional indemnity, criteria for sound and prudent management, manner of conduct of insurance broking and reinsurance brokerage business, conditions of licence and other requirements incidental or connected therewith;
- (k) requirements for insurance surveyors in relation to minimum paid up capital, professional indemnity, experience, qualification and training requirements for authorised surveying officers, manner of conduct of insurance surveying business, conditions of licence and other requirements incidental or connected therewith;
- (l) requirements for third party administrators in relation to minimum paid up capital, manner of conduct of third party administration business, conditions of licence and other requirements incidental or connected therewith;
- (m) requirements for insurance self-network platforms in relation to their manner of conduct, conditions of licence and other requirement incidental or connected therewith; and

- (n) requirements for regulatory experimentation through regulatory sandbox or innovation office or any regulatory initiative aimed at adoption and usage of technology, and the requirements connected and incidental thereto.

167B. The power of the Commission to issue directives, circulars, guidelines, etc.- The Commission may issue such directives, codes, guidelines, circulars, notifications or explanatory notes as are necessary to carry out the purposes of this Ordinance and the rules and regulations made under this Ordinance.”.

111. Amendment of section 169, Ordinance XXXIX of 2000.- In the said Ordinance, in sub-section (1) of section 169:

- (a) in clause (c), for the word “prescribed” the word “notified” shall be substituted;
- (b) in clause (e), for the word “prescribed” the word “specified” shall be substituted;
- (c) in clause (f), for the word “prescribed” the word “specified” shall be substituted;

112. Amendment of section 170, Ordinance XXXIX of 2000.— In the said Ordinance, in section 170, in sub-section (1), before the words, “Companies Ordinance”, the word “repealed” shall be inserted.

113. Amendment of section 171, Ordinance XXXIX of 2000.— In the said Ordinance, after section 171, the following new section 171A shall be inserted, namely:-

“171A. Ordinance to override other laws.- Save as provided by this Ordinance, this Ordinance shall have effect notwithstanding anything to the contrary contained in any other law for the time being in force.”.

114. Amendment in Ordinance XXXIX of 2000.— In the said Ordinance, in the following sections, for the word “prescribed” wherever appearing the word “specified” and for the word “prescribe” wherever appearing the word “specify” shall be substituted:

- (a) clause (i) of section 2;
- (b) clause (h) of sub-section (2) of section 3;
- (c) sub-section (3) of section 10;
- (d) sub-section (7) of section 14;
- (e) section 15;
- (f) sub-section (4) of section 22;
- (g) sub-section (9) of section 23 and second proviso thereof;
- (h) clauses (b), (f), (n), (o), (p), (q), (r), (s), (t) and (v) of sub-section (2) of section 32;
- (i) sub-section (3), (4) and (5) of section 35;
- (j) clause (a), (b) and (c) of sub-section (3) of section 36;
- (k) sub-section (2) and (3) of section 41;
- (l) sub-section (1) and (2) of section 43;
- (m) clause (c) of sub-section (3) of section 45;
- (n) sub-section (6) of section 45;
- (o) sub-section (4) of section 49;
- (p) proviso to sub-section (1) of section 73;

- (q) sub-section (2) of section 73;
- (r) proviso to clause (b) of sub-section (2) of section 79;
- (s) clause (b) of sub-section (3) of section 92;
- (t) sub-section (1) and sub-section (2) of section 98 and clause (c) of sub-section (2) of section 98;
- (u) sub-section (5) of section 99;
- (v) sub-section (1) and (2) of section 107;
- (w) section 119;
- (x) sub-section (1) of section 133; and
- (y) sub-section (2) of section 135.