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INTERNATIONAL INSURANCE AND TAKAFUL ORDER, 2002

INTERNATIONAL INSURANCE AND TAKAFUL (FEES, FORMS AND
MISCELLANEOUS PROVISIONS) REGULATIONS, 2002

In exercise of the power conferred by section 67 of the International Insurance and Takaful Order, 2002 the Minister of Finance, with the approval of His Majesty the Sultan and Yang Di-Pertuan, hereby makes the following Regulations —

PART I

PRELIMINARY

Citation and commencement.

1. These Regulations may be cited as the International Insurance and Takaful (Fees, Forms and Miscellaneous Provisions) Regulations, 2002 and shall commence on the date appointed for the commencement of the International Insurance and Takaful Order, 2002.

Procedure where none laid down; interpretation.

2. (1) If any action is required or permitted to be done or taken under the Order and if no form is prescribed or no procedure is laid down for that purpose either in the Order or in any regulations made thereunder, application may be made to the Authority for directions as to the manner in which that action may be done or taken, and any action done or taken in accordance with the directions of the Authority shall be a valid performance of such action.

(2) In the Schedules hereto, the words "insurance", "insurer", "re-insurance" and "re-insurer" shall include the providers of takaful and re-takaful services.

PART II

FEES

Fees.

3. (1) The fees set out in the third column of the First Schedule are prescribed as the fees applicable to the items respectively set out in the second column of that Schedule.

(2) A person licensed under the Order shall continue to be liable for all fees and penalties payable under the Order, notwithstanding that the licence has lapsed, been suspended or withdrawn, and notwithstanding any other written law, those fees have priority over all other claims against the assets of such person. The Authority may refuse to take any action under the Order for which a fees is prescribed until all fees have been paid.

PART III

FORMS

Forms.

4. (1) The forms set out in the Second Schedule are prescribed as the forms to be used for the purposes of the Order.

(2) Unless the Authority specifically so requires, strict compliance with a prescribed form is not required and substantial compliance is sufficient. Where no form is required to be prescribed, the Authority may determine the form of presentation of any required matter or other information presented to him under the Order.

Particulars prescribed by forms.

5. Where a prescribed form requires completion by insertion or by an attachment referred to in the form, the contents of those insertions and attachments are prescribed as the particulars or other matters required under the Order for the purposes for which the form is prescribed.

Directions in forms.

6. Subject to regulation 4(2), a prescribed form shall be completed in accordance with such directions as are specified in the form.

PART IV

GENERAL PROVISIONS RELATING TO FORMS AND
OTHER DOCUMENTS

General requirements for documents lodged with Authority.

7. (1) A document to be lodged with the Authority shall where applicable —

(a) be on paper of medium weight, good quality and of international sheet A4 size; and

(b) be clearly printed or otherwise produced in a manner that is permanent;

and may with the Authority's consent be a facsimile or electronically reproduced.

(2) The prescribed fee payable to the Authority in respect of the lodgement of a document with the Authority shall be paid at the time the document is lodged.

(3) Where a fee is payable for or in respect of the lodgement of any document with the Authority and the document is submitted for lodgement without payment of that fee, the document is deemed not to have been lodged until the fee has been paid.

Verification of documents.

8. For the purposes of the Order, any document relating to any person subject to the Order which requires verification shall be verified —

(a) by an appropriate official in the country or territory in which that document originates;

(b) by a notary public; or

(c) by a director, manager, executive officer, partner, trustee or secretary of the person in question,

as the Authority may consider appropriate and acceptable.

Agents' authorities to be lodged.

9. Where a document signed by an agent of a person referred to in regulation 8(c) authorised in writing, the authority or a certified copy of the authority shall be annexed to the document lodged with the Authority.

Signature of documents lodged with Authority.

10. Except as otherwise provided in the Order or in these Regulations, a document to be lodged with the Authority under the Order or these Regulations shall be signed or authenticated in the manner provided under any law relating to the signature or authentication of that document, or otherwise as the Authority may in any particular case permit.

Changes to documents or information.

11. Where any of the following changes or alterations arise or occur —

(a) a change to any document or information filed or supplied to the Authority; or

(b) a change in the appointment of any director, secretary, officer, partner, manager, administrator, custodian, trustee or registered agent, or any person holding or exercising the functions of any office or position analogous to any of the foregoing;

and in addition to any other requirement under the Order or any other written law, each such change or alteration, duly verified, shall be supplied to the Authority within the time prescribed in regulation 12.

Time for lodging documents.

12. Where a document is required by the Order to be lodged with the Authority, and no time period within which the document is to be lodged is therein prescribed, the document shall be lodged within one month or, in the case of a document required to be lodged by a foreign company, within such further period as the Authority may in special circumstances allow after the happening of the event to which the document relates.

Affidavits and statutory declarations.

13. (1) Except as otherwise provided in the Order or in these Regulations, an affidavit or statutory declaration sworn or declared for the purposes of the Order or of these Regulations on behalf of a body corporate shall be made —

(a) by a director or the secretary; or

(b) where applicable, by an officer of the registered agent which is appointed as agent of that body corporate.

(2) Where an affidavit or a statutory declaration required by the Order or by these Regulations purports to be sworn or declared at a place outside Brunei

Darussalam, the affidavit or statutory declaration shall be sufficient for the purposes of the Order and of these Regulations if it purports to be sworn or declared in accordance with the requirements of the law of that place.

FIRST SCHEDULE

(regulation 3)

APPLICATION FEES FOR LICENCE

(sections 8 and 11)

| SECTION | ITEM | FEE (United States dollars) |
|---------|--------------------------------------|--------------------------------|
| 8 | International Insurer carrying out — | |
| | General Insurance Business | \$750 |
| | Life Insurance Business | \$750 |
| | Life And General Insurance Business | \$1,500 |
| | Captive Insurance Business | \$250 |
| 11(2) | International Insurance Manager | \$500 |
| | International Underwriting Manager | \$500 |
| | International Insurance Broker | \$500 |

ANNUAL LICENCE FEES

(section 19)

| SECTION | ITEM | FEE (United States dollars) |
|---------|--------------------------------------|--------------------------------|
| 19 | International Insurer carrying out — | |
| | General Insurance Business | \$6,000 |
| | Life Insurance Business | \$6,000 |
| | Life And General Insurance Business | \$12,000 |
| | Captive Insurance Business | \$1,500 |
| | International Insurance Manager | \$1,500 |
| | International Underwriting Manager | \$1,500 |
| | International Insurance Broker | \$1,500 |

MISCELLANEOUS FEES

| SECTION | ITEM | FEE (United States dollars) |
|---------|--|--------------------------------|
| 15 | Copy of extract from Register of Licensees, per A4 sheet | \$1.00 |

SECOND SCHEDULE

FORM 1

INTERNATIONAL INSURANCE AND TAKAFUL ORDER, 2002

(section 8)

APPLICATION FOR LICENCE TO CARRY ON INTERNATIONAL
INSURANCE AND TAKAFUL BUSINESS

1. State the name of the applicant.

.....

.....

2. State the full address of —

(a) the registered office of the applicant in Brunei Darussalam.

.....

.....

(b) the principal office of the applicant in Brunei Darussalam.

.....

.....

(c) the registered office and the principal business address abroad (in case of company incorporated abroad).

.....

.....

.....

3. State date and place of incorporation.

.....

.....

.....

FORM 1 – (continued)

4. State the basic characteristics of the applicant by ticking the appropriate box under (i) and (ii).

- (i) Company organised by shares
Mutual Company
- (ii) International Business Company
Foreign International Company
Domestic Brunei Darussalam Company
Dedicated Cell Company
Other (please state)

| |
|--|
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| |

5. (i) State the amount of the issued and paid-up capital at present, and the date paid in.

.....

.....

.....

(ii) Has all the paid-up capital been subscribed in cash? If not, give or attach full details.

.....

.....

.....

6. Will the applicant be writing unrelated risks i.e. risks of persons who, apart from the insurance contract itself, have no connection or association with the applicant —

(i) as a direct insurer.

.....

.....

.....

(ii) as a re-insurer.

.....

.....

FORM 1 – (continued)

7. If 6(i) and 6(ii) are both answered in the negative, explain here or by attachment the nature at the connection or association that exists between the applicant and those persons whose risk the applicant intends writing either directly or as a re-insurer.

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.....

8. State the category of insurance business which the applicant proposes to write (i.e. general business only, long-term business only or both general and long-term business).

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.....

9. State the class or classes (e.g. property, casualty, marine, aviation) of general insurance business which the applicant intends to write and state estimated gross and net premium by class of business for the first 2 years of operation. If it is intended to write products liability risks or professional liability risks or both, state estimated gross and net premium in respect of each separately.

.....

.....

.....

10. State when the applicant intends to commence writing the above class or classes of business.

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.....

FORM 1 – (continued)

11. In respect of general business, give estimated income for each of the first 2 years, on as realistic a basis as possible, using the following format –

| | |
|--|-------|
| Gross premiums written | |
| Less re-insurance premiums ceded | |
| Net premiums written | |
| Less increase (plus decrease) in unearned premiums | |
| Net premiums earned | |
| Plus investment income | |
| Plus other insurance income | |

SUB-TOTAL

| | |
|--|--|
| Net losses and loss expenses incurred | |
| Reserve for claims incurred but not reported (if applicable) | |
| Commissions and brokerage incurred | |
| General and administrative expenses | |
| Personnel costs | |
| Other expenses | |
| Income taxes (if applicable) | |

SUB-TOTAL

| | |
|-------------------------------|-------|
| Estimated net income for year | |
|-------------------------------|-------|

N.B.1 The Order provides for solvency margins in accordance with the formulae therein. Please provide as an appendix estimated margins and the basis of calculation.

N.B.2 The Authority will require to be satisfied as to the assets representing a minimum liquidity ratio for general business. As a general guide, the value of the relevant assets of an insurer carrying on general business shall be not less than 75 per cent of the amount of its relevant liabilities.

12. In respect of long-term insurance business, state as an appendix in the format below, on as realistic a basis as possible, the estimated volume of business to be transacted during each of the first 2 years, giving for each type of policy the number of contracts the total sums assured or amounts of annuity per annum, and the annual or single premiums. Figures should be given both gross and net of re-insurance and should relate to world-wide business. A final table should summarise the total premium income.

FORM 1 – (continued)

| | ORDINARY LONG TERM BUSINESS PLAN | | | | |
|--|----------------------------------|------------------|----------------------|---------------------|--|
| | Type of policy | Year 1 | | | |
| | | No. of contracts | Total Premium Income | | Total sums insured or amounts or annuity per annum |
| | | | Gross | Net of re-insurance | |

Note: Same format for year 2 as for year 1.

13. Give particulars of any business other than insurance business which the applicant proposes to carry on.

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14. Give name of and limits carried by primary carrier, if any.

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15. State the maximum net retention by class of business, for anyone risk per occurrence.

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16. State layer of retention (primary or excess of) by class of business.

.....

17. State whether annual aggregate (i.e. stop loss) re-insurance has been or will be arranged. If so, state maximum annual aggregate net losses to be retained by class of business.

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FORM 1 – (continued)

18. Proposed re-insurance arrangements set forth in the format below in respect of each class of business, including in particular the nature and extent of the existing or names of, and, where they have been rated by recognised rating organisations, the most recent ratings assigned to, the insurance companies or associations of underwriters which will re-insure each class at the applicant's business and the amount which will be reinsured by each. If more than 10 companies will re-insure a class business, the names of only the principal re-insurers need be stated.

| Name | Rating | Class of insurance | Amount re-insured |
|------|--------|--------------------|-------------------|
| | | | |

19. State the full name and address of the following who have accepted their appointment, attaching formal evidence of acceptance of appointment duly signed –

(i) Principal representative (must be resident in Brunei Darussalam).

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.....

(ii) Insurance manager (if applicant has one).

.....
.....

(iii) Approved auditor.

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.....

(iv) (where required) Loss reserve specialist.

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.....

FORM 1 – (continued)

20. For applicant carrying on long-term business, state the full name and address of the approved actuary, attaching formal evidence of acceptance of appointment duly signed.

.....

21. Indicate by ticking the appropriate boxes which of the following are to be kept in Brunei Darussalam —

- (i) general ledger
- (ii) general journal
- (iii) subsidiary ledgers referred to in the general ledger
- (iv) cash books for receipts and disbursements
- (v) premium registers
- (vi) loss registers
- (vii) re-insurance reports
- (viii) daily reports of claim files
- (ix) copies of policies
- (x) copies of re-insurance treaties and agreements

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22. Will those of the foregoing business records which will be kept in Brunei Darussalam enable the directors to ascertain within a reasonable period and with reasonable accuracy the applicant's position at the end of each 3 month period?

Please answer "Yes" or "No". If "No", please explain.

.....

23. Give the addresses where such records are to be kept in Brunei Darussalam.

- (i)
- (ii)
- (iii)

24. State the date on which the applicant's financial year will end.

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FORM 1 – (continued)

25. If the answer to question 6(i) was in the affirmative —

(a) state the method or methods by which the business will be obtained (e.g. by the applicant's own employees, and by brokers or agents).

.....
.....

(b) state the way in which settlement of claims will be handled (e.g. by the company, by outside loss adjusters or assessors, or by other agents with authority to settle claims).

.....
.....

(c) give details of any connection or association (including in particular a connection of a financial kind) which exists between any of the brokers, agents, loss adjusters and assessors referred to in (a) and (b) above, and any director of the applicant, any director it is proposed at present to appoint, any person having a majority shareholding in the applicant, or any other person on whose directions the directors of the applicant or any of them act or will act.

.....
.....

(d) give details of any loans which the applicant has made, or proposes to make, to any officer of the applicant or his spouse or to any partnership in which an officer of the applicant or his spouse has an interest.

.....
.....

(e) give details of any loans or investments, actual or proposed, to or in any subsidiary or associated company or any company at any general meeting of which any officer to the applicant or any person controlling the applicant, or their respective spouses, is entitled to exercise, or control the exercise of, one-third or more of the voting power.

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.....

FORM 1 – (continued)

We certify that to the best of our knowledge and belief all of the information given in this application is true and correct and that all estimates given are true estimates based upon facts which have been carefully considered and assessed.

(Signed) date
(Director)

(Name)

(Signed) date
(Resident director)

(Name)

(Signed) date
(Principal representative)

(Name)

Note: Your attention is drawn to the provisions of sections 64 and 65 of the Order relating to offences in relation to false, deceptive and misleading statements.

FORM 2

INTERNATIONAL INSURANCE AND TAKAFUL ORDER, 2002
(section 11)

APPLICATION FOR LICENCE TO CARRY ON BUSINESS AS INTERNATIONAL
INSURANCE MANAGER, INTERNATIONAL UNDERWRITING MANAGER OR
INTERNATIONAL INSURANCE BROKER

*Application being completed as
(tick appropriate box)

International Insurance Manager
International Underwriting Manager
International Insurance Broker
International Insurance Manager
(incorporated)
International Underwriting Manager
(incorporated)
International Insurance Broker
(incorporated)

| |
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| |
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| |

1. Name.
.....

2. Address.
.....
.....

3. Place established and number of years established under present name.
.....
.....

If established under other name or names, give information and date or
expiration of such business.
.....
.....

4. Address of head or registered office.
.....
.....

FORM 2 – (continued)

5. (a) Name and address of advocate and solicitor in Brunei Darussalam.

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.....

- (b) Name and address of auditor in Brunei Darussalam.

.....
.....

6. Name of principal banker in Brunei Darussalam.

.....
.....

7. Copies of last accounts (including balance sheet) prepared or such documentary evidence as will show the financial capacity of the applicant (e.g. a public accountant's certificate as to the applicant's net worth).

8. If insurance manager or insurance broker, state whether or not you have professional indemnity cover. If "Yes", give name of insurer or insurers.

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.....

9. Particulars of any business other than insurance business carried on at present.

.....
.....

10. Details, if any, of any unit-linked insurance business to be carried on under the Order.

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.....

FORM 2 – (continued)

- 11. If agent for non-resident insurance undertaking attach copy of agency agreement or such other documentary evidence as will show your authority to act on behalf of insurer or insurers for which you act.
.....
- 12. Details of experience in insurance business.
.....
.....
- 13. Give details of membership or proposed membership of any professional body or trade association.
.....
.....
- 14. Attach a complete list of all person (e.g. brokers, sub-agents and salesmen) through whom the applicant carries on business in Brunei Darussalam.
.....
.....
- 15. If international insurance manager or international underwriting manager, attach a list of all international insurers for which you provide services (see section 27 of the Order).
.....
.....
- 16. Attach evidence of intention to comply with Brunei Darussalam Immigration and Labour legislation (where applicable).
.....
.....

FORM 2 – (continued)

I/We certify that to the best of my/our knowledge and belief all of the information given in this application is true and correct and that all estimates given are true estimates based upon facts which have been carefully considered and assessed.

| | |
|---------------|--------------------|
| Name(s) | Signature(s) |
| | |
| | |
| | |
| Date | |

Note: Your attention is drawn to the provisions of sections 64 and 65 of the Order relating to offences in relation to false, deceptive and misleading statements.

FORM 3

INTERNATIONAL INSURANCE AND TAKAFUL ORDER, 2002

(section 8)

Company No.:

LICENCE TO CONDUCT INTERNATIONAL INSURANCE BUSINESS

This is to certify that

.....

incorporated under

has been issued with a licence to conduct the following class/classes
of international insurance business,

.....

.....

subject to the provisions of the Order and to the conditions attached to the
licence at the date hereof and as the same may be varied from time to time.

Given under my hand this day of 200

.....

Authority

FORM 4

INTERNATIONAL INSURANCE AND TAKAFUL ORDER, 2002
(section 11)

Company No.:

LICENCE TO CONDUCT INTERNATIONAL INSURANCE
BROKING/MANAGING/UNDERWRITING BUSINESS

This is to certify that

.....

incorporated under

has been issued with an International Insurance Broking/Managing/
Underwriting licence to conduct international insurance business subject to
the provisions of the Order and to the conditions attached to the licence at the
date hereof and as the same may be varied from time to time.

Given under my hand this day of 200

.....
Authority

FORM 5

INTERNATIONAL INSURANCE AND TAKAFUL ORDER, 2002
(section 18)

NOTIFICATION BY LICENSEE OF CHANGE OR PROPOSED CHANGE IN PARTICULARS

Notice is hereby given under section 18 of the International Insurance and Takaful Order, 2002 of a change/proposed change in particulars, and the following particulars are furnished in respect thereof —

I (name), a director of
..... (name of licensee) hereby give
notice that following change(s) of particulars have occurred/been proposed in
respect of the following —

Dated this day of 200

.....
Director

If insufficient space, please include annexure.

| | |
|---|---------------------|
| Lodged in the office of the Authority in Brunei Darussalam by — | For Authority's use |
| Name: | |
| Address: | |
| Telephone No.: | Checked by: |
| Fax No.: | |

Made this 24th. day of Rabiulawal, 1423 Hijriah corresponding to the 6th.
day of June, 2002.

DATO PADUKA AWANG HAJI ABDUL RAHMAN BIN HAJI IBRAHIM
Permanent Secretary,
Ministry of Finance,
Brunei Darussalam.