MENA
Article

MENA insurance: quarterly regulatory update

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Written by Wayne Jones and Tanya Janfada - first published in the MENA Insurance Review.

This is the twelfth in a series of quarterly legal and regulatory updates focusing on the GCC insurance market as written by the Clyde & Co insurance & regulatory team and published by MENA Insurance Review. The review has been updated from 1 August 2014 to 28 October 2014.

Further information
If you would like further information on any issue raised in this article please contact:

Wayne Jones, Partner
wayne.jones@clydeco.com

Tanya Janfada, Senior Associate
tanya.janfada @clydeco.com

Clyde & Co LLP
PO Box 7001
Level 15, Rolex Tower
Sheikh Zayed Road
Dubai, United Arab Emirates

T: +971 4 384 4000
F: +971 4 384 4004

United Arab Emirates		
Insurance Authority		
No updates		
The Dubai Health Authority		
Title	Status	Summary
DHA Employers' Information Pack	Phased implementation 2014 - 2016	On 1 October 2014, the DHA issued an updated Employers' Information Pack, which was an update to the Pack which had originally been issued by the DHA in April 2014. The key developments are as follows: – Only participating insurers can issue new policies to insure lower salary band workers regardless of the employer's implementation dates – Employers are required to provide certain details in relation to each insured member to their insurer, who is required to upload the data to the Persons Register on the DHA eClaimslink portal
General Circular Number 1 of 2014	In force	The DHA's General Circular Number 1 of 2014 explains that going forward the DHA will issue the following four forms of written communications: – Policy Directives: statements of policy advising the recipients what they must comply with. – Standards Notices: to set down specific standards that must be met – Procedural Notices: to provide details on specific procedures to be followed e.g. in making applications for permits or methods of reporting data or information – General Circulars: for communications of a general or informative nature
General Circular Number 2 of 2014	In force	The DHA's General Circular Number 2 of 2014 addresses issues related to self-funded (i.e. non-insured) schemes; insurance for lower salary band workers, the implementation of the minimum benefits requirements and to articulate the DHA's views on marketing activities that they perceive as not in the spirit of the Law. The following is a summary: – No **new** self-funded schemes are to be established – All new insurance policies issued on or after 1 January 2015 must comply with the DHA's prescribed minimum level of benefits, the Essential Benefits Plan (**EBP**), regardless of the employer's implementation date – Only participating insurers can issue **new** policies to insure LSB workers regardless of employer's implementation dates
Policy Directive Number 1 of 2014	In force	The DHA's Policy Directive Number 1 of 2014 sets out the DHA's minimum requirements and standards regarding complaints handling. All insurers and TPAs are required to have a formally documented complaints procedure. All complaints must be logged in an automated system and the minimum level of detail required is listed.
Policy Directive Number 2 of 2014	In force	The DHA's Policy Directive Number 2 of 2014 addresses compliance with the minimum benefits for all health insurance policies. Although the implementation schedule for the compulsory requirements (Phase 1, 2 and 3) remains in place, the timing by which policies must meet the EBP minimum benefits has been amended. The following is a summary of the amended requirements: – All new policies issued on or after 1 January 2015 must meet the EBP's minimum benefits – Phase 1: existing policies (including new members added) must meet the EBP minimum benefits by the first renewal date (and no later than 12 months) after the implementation deadline of 31 October 2014 – Phase 1: where an existing policy covers LSB workers with a non-PI this can continue until by the first renewal date (and no later than 12 months) after the implementation deadline of 31 October 2014

		– Phase 2 and 3: existing policies (including new members added) must meet the EBP minimum benefits by the first renewal date after 30 June 2015. This means that by the final deadline of 30 June 2016, all insured members will have benefits that meet the EBP's minimum benefits – Phase 2 and 3: where an existing policy covers LSB workers with a non-PI this can continue until the first renewal date after 30 June 2015 – Existing self-funded schemes must convert to full insured schemes in accordance with the original implementation dates
The Health Authority Abu Dhabi		
No updates		
The Dubai Financial Services Authority		
Title	Status	Summary
Consultation Paper No. 96 Proposed Amendments to the DFSA Fee Regime	Consultation	On 18 August 2014, the DFSA issued a consultation paper regarding proposed amendments to the DFSA fees regime. The DFSA proposes to introduce a fee of: – USD 1,000 per application for every replacement or new registration of an Authorised Individual – USD 5,000 for applications related to: (a) changes consisting of adding or modifying a Financial Service to the Licence, while the Firm remains in the same prudential Category; (b) changes effected to an existing Licence that lead to a change in prudential Category but that do not lead to an increase in fees; or (c) endorsement of a Licence or a variation of the endorsement – USD 4,000 for authorisation (and annual renewal) of Representative Offices and DNFBPs The period for submitting comments on the consultation paper was 17 September 2014.
Consultation Paper No. 97 Proposed Changes to the Client Classification Regime	Consultation	On 15 September 2014, the DFSA issued a consultation paper which proposes to make substantial changes to the client classification provisions currently contained in Chapter 2 of the Conduct of Business (**COB**) module of the DFSA Rulebook. The proposed amendments are to: – Expand the categories of persons who can be classified as "Professional Clients", without the Authorised Firm having to undertake a detailed assessment of the assets or expertise of such persons – Expand the instances in which the professional status of one person can be attributed to another person based on the strength of an ownership-based or family relationship-based nexus between the two persons – An Authorised Firm may rely on client classification by its head office or a Group member, provided risks associated with such reliance are effectively addressed. In addition, Authorised Firms which are part of a Group may be able to operate under an arrangement where financial services are provided to one client in conjunction with other members of the Group The period for submitting comments on the consultation paper was 15 October 2014.

Qatar

Qatar Central Bank

No updates

The Qatar Financial Centre Regulatory Authority

Title	Status	Summary
QFCRA Consultation Paper 2014/03 Approved Individuals Regime and Miscellaneous Amendments	Consultation	On 18 September 2014, the QFCRA issued a consultation paper which proposes to make changes to the QFCRA's Individuals Rules 2005 (**INDI**). The proposed amendments are to: – Introduce a new approval process for Approved Individuals that places clearer accountability and responsibility on Authorised Firms for the appointment of competent and fit and proper staff – Remove the Customer Facing Function from the list of Controlled Functions, thereby focusing the QFCRA's Approved Individual regime on Board members, senior executives and persons in key control positions – Make enhancements to the knowledge competency requirements in INDI The period for submitting comments on the consultation paper is 2 November 2014.

The Supreme Council of Health

No updates

Kingdom of Saudi Arabia

Saudi Arabian Monetary Agency

No updates

Council of Cooperative Health Insurance

No updates

Bahrain

Central Bank of Bahrain

Title	Status	Summary
CBB Rulebook Volume 3 Amendments	In force	In October 2014, the CBB issued new versions of certain modules of the CBB Rulebook Volume 3 (Insurance). The amendments are largely to clarify relevant provisions of the Rulebook, of note are the following: – A new Rule GR-2.2.1 was added which requires that any written communication published by an insurance licensee must include a statement that the licensee is regulated by the Central Bank of Bahrain, the type and category of license and the legal status. Additionally, written communication (stationery) should state the authorised and paid up capital of the licensee. All licensees should comply with this requirement by 31 December 2014 – A new Rule BR-2.3.30 was added to clarify that before submitting a proposal for a distribution of profits (dividends) to a shareholder vote, an insurance licensee must obtain a letter of no objection from the CBB
Consultation on Requirements for Related Party Transactions for Insurance Licensees	Consultation	On 16 October 2014, the CBB issued a consultation paper regarding proposed amendments to Rule BR2.3.22 of Volume 3 of the CBB Rulebook's CBB Reporting Module. The proposed changes are intended to expand the application of BR2.3.22 to require insurance brokers and other insurance licensees to obtain the CBB's prior written consent to related party transactions which are above the specified thresholds. At present, BR2.3.22 only applies to re/insurers. The period for submitting comments on the consultation paper is 13 November 2014.

Sultanate of Oman		
Capital Market Authority		
Title	Status	Summary
Royal Decree No. 39/2014 Promulgating Amendments to Certain Provisions of the Insurance Companies Law	In force	On 12 August 2014, Royal Decree No. 39/2014 was issued amending the following provisions of the Insurance Companies Law (Royal Decree No. 12/1979): – To carry on insurance business in Oman, an insurance company must be a public joint stock companies established in accordance with the Commercial Companies Law to carry out insurance business – The minimum paid up capital for insurance companies is 10 million Omani Rials (RO 10 million) – Appeals in respect of a decision of the Executive President rejecting an application for an insurance license must be made to the Appeals committee of the Capital Market Authority within sixty (60) days from the date of the application rejection notice in accordance with the procedures prescribed in the Capital Market Law and the Executive Regulations thereof – Additional penalty provisions have been imposed for a breach of the Insurance Law

Kuwait
Ministry of Commerce and Industry
No updates