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## MENA insurance: quarterly regulatory update

Written by Peter Hodgins and Tom Bicknell – first published in the MENA Insurance Review.

This quarterly legal and regulatory update focuses on the insurance market in the GCC region published by MENA Insurance Review, and written by Clyde & Co LLP's Insurance & Regulatory team. The review has been updated to 27 May 2015.

### Further information

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## United Arab Emirates

Title	Status	Summary
Resolution No. 8 of 2015	27 May 2015	<p>On 27 May 2015, His Highness Sheikh Mohammed Bin Rashid Al Maktoum, the Ruler of Dubai, Vice President and Prime Minister of the UAE issued Resolution No. 8 of 2015, which extends the implementation of Dubai's Health Insurance Law on health-care service providers licensed within Dubai Healthcare City (DHCC).</p> <p>The resolution defines the DHCC authority as the government entity responsible for the implementation of Law No. (11) of 2013 pertaining to health insurance on the health-care facilities registered in Dubai Healthcare City.</p> <p>The Resolution is soon to be published in the Official Gazette.</p>

## Insurance Authority

Title	Status	Summary
IA Financial Reporting Electronic Forms	In force	<p>On 24 May 2015, the Insurance Authority (IA) issued the electronic financial forms (E-forms) related to the financial instructions for the traditional and Takaful insurance companies, which were issued by the IA by the end of 2014 to ensure optimum application of the instructions and boost supervision and oversight over the insurance sector according to the best practices applicable worldwide.</p> <p>The electronic financial forms represent an essential element in determining capital solvency requirements, minimum indemnity amount, and minimum capital that should be maintained by the companies. They include forms to measure the capital required to face the underwriting risks, investment risks, credit risks and operational risks.</p>

## The Dubai Health Authority

Title	Status	Summary
IA Financial Reporting Electronic Forms	In force	<p>The DHA's General Circular Number 3 of 2015 issued on 16 April 2015, specifies that no market participant is allowed to transact any new health insurance business with any intermediary not holding HIIP Conditional Compliance status.</p> <p>All intermediaries who submitted their HIIP and PHIR registrations have been granted 'Conditional Compliance' status, which allows them to continue transacting health insurance business until their applications are validated by the Health Funding Department (HFD). Applicants will be given a deadline of 30 June 2015 to comply with any clarifications from the HFD.</p>

## United Arab Emirates

Title	Status	Summary
Standards Notice Number 1 of 2015	In force	<p>On 17 April 2015, the DHA published a Standards Notice, discussing the roles and responsibilities of the Single Point of Contact (SPoC).</p> <p>In the General Circular Number 1 of 2014, the DHA indicated that all of their communications would be sent by email to the listed SPoC that they hold for insurers, TPAs and intermediaries and to nominated/registered persons at healthcare providers.</p> <p>The DHA's Standard Notice Number 1 of 2015 requires that the role of the SPoC should be undertaken by a senior member of management who is experienced enough to understand health insurance and related regulatory matters. The Health Funding Department (HFD) will monitor all communications and will instruct a company to replace a SPoC if the appointed person is not fulfilling his or her responsibilities. The response performance of a company will be taken into account when assessing Permit renewal applications.</p>

## Health Authority Abu Dhabi

Title	Status	Summary
No updates		No updates

## The Dubai Financial Services Authority

Title	Status	Summary
Conduct of Business Module (COB) Instrument (No.149) 2015	Effective from 1 April 2015	<p>On 11 February 2015, the DFSA issued an updated version of the COB Module, in which it published its changes to the client classification regime contained in chapter 2.</p> <p>Authorised firms will need to comply with the new client classification regime from 1 April 2015, with the exception of the increase of the asset test for "assessed" professional clients from US\$500,000 to US\$1 million, which will come into effect on 1 April 2016.</p> <p>The new client classification regime requires Authorised Firms, before providing Financial Services to clients, to classify such clients as:</p> <ul style="list-style-type: none"> <li>- 'Retail',</li> <li>- 'Professional' or</li> <li>- 'Market Counterparty' clients,</li> </ul> <p>to ensure that the scope of regulatory protection provided to a person is appropriate in light of the person's knowledge, experience and resources.</p> <p>Professional clients will fall within one of the following three sub-categories:</p> <ul style="list-style-type: none"> <li>- 'deemed' Professional Clients</li> <li>- 'service-based' Professional Clients, or</li> <li>- 'assessed' Professional Clients.</li> </ul>

### The Dubai Financial Services Authority (continued)

Title	Status	Summary
		<p>A 'deemed' Professional Client may be classified as a Market Counterparty if they are provided with prior written notification of their classification as a Market Counterparty.</p> <p>The introduction of the new client classification regime does not trigger the need to re-classify existing clients.</p> <p>The DFSA also made some minor amendments to the glossary module and the collective investment rules to reflect the abovementioned changes.</p>
Amendments to the Application Forms and Notices Module (AFN)	In force	During March 2015, the DFSA announced updates and amendments to the majority of forms found in the Application Forms and Notices Module (AFN).

### Qatar

#### QCB

Title	Status	Summary
Draft implementing regulations to the QCB Law.	Draft	We understand that the QCB has circulated draft implementing regulations for the insurance sector pursuant to Law No. 13 of 2012 on the Issuance of the Law of the of the Qatar Central Bank and the Regulation of Financial Institutions. It is anticipated that the implementing regulations will form a detailed rulebook for the insurance regime in Qatar (outside of the QFC) addressing a range of issues, including licence requirements for insurers, reinsurers and service providers, prudential and risk management requirements, conduct of business requirements, reporting requirements etc. Further details of the draft regulations will be addressed in a future update.

#### Qatar Financial Centre Regulatory Authority

Title	Status	Summary
		No updates

#### The Qatar Financial Centre

		No updates
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#### The Supreme Council of Health

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### Kingdom of Saudi Arabia

Title	Status	Summary
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#### Cooperative Council of Health Insurance (CCHI)

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#### Saudi Arabian Monetary Agency (SAMA)

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## Sultanate of Oman

### Capital Market Authority

Title	Status	Summary
Draft Circular of the Guidelines for the Operations and Administration of Investment	Consultation	<p>On 12 March 2015, the CMA issued a draft Circular which establishes design parameters for investment linked products and sets guidelines for the operations and administration of investment linked business of Life/Takaful/Composite insurance companies operated under laws prescribed by the CMA.</p> <p>Life/Takaful/Composite insurers will be required to obtain the approval of the CMA prior to conducting any investment linked business, issuing any investment linked plans or establishing any investment linked sub fund.</p> <p>The draft Circular also addresses requirements for approval, post authorization requirements and guidelines for minimum filing requirements.</p>
Code of Corporate Governance	Consultation	<p>The CMA has recently sought the opinion of public companies, audit firms, law firms and the public on the draft amendments to the Code of Corporate Governance for Public Joint Stock Companies to develop corporate Governance practices in the Sultanate.</p>
Draft Insurance Brokers Regulations	Consultation	<p>A new draft regulation for insurance brokerage firms was unveiled by the CMA, and insurance brokers in Oman were given two weeks to provide feedback.</p> <p>The major highlights of the new regulation include minimum capital requirements, management of credit facilities between client and brokerage firms, and the separation of direct brokerage businesses from re-insurance businesses.</p>

## Kuwait

Title	Status	Summary
Ministerial Resolution No. 149 of 2015	In force	<p>Resolution No. 149 of 2015 Regulating the Profession of Insurance and Reinsurance Brokers issued in the Official Gazette on 22 March 2015, repeals Ministerial Resolution No. 81 of 2012 Regulating the Profession of the Insurance and Reinsurance Brokers and Insurance Agents.</p> <p>The new legislation repealing Resolution No. 81 has stipulated new minimum capital requirements amongst other requirements for operating as an Insurance Broker.</p>

Kuwait Cabinet Decision 158 of 2015

In force

On 19 April 2015, the Kuwait Cabinet issued Decision 158 of 2015 easing requirements in respect of branches of foreign insurance companies. Article 1 of this law exempts branches of foreign insurance companies from applying Cabinet Decision 511 of 2011 regarding the Rules of Incorporation of Insurance and Reinsurance Companies.

In terms of this decision, foreign insurers operating in Kuwait are not required to establish a stockholding company with a capital of KWD5 million for non-life and life operations, and KWD15 million for reinsurance business.

Other regulations relate to requirements for proof of licensing in the country in which they are headquartered, submission of financial information to the Ministry and the appointment of a branch manager or managing director.

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