

SUMMARY OF THE ACTIVITIES OF LIFE COMMITTEE

LIFE COMMITTEE



Sitting from Left to Right:

Syed Shahid Abbas, Syed Fahad Subhan (Vice-Chairman),
Mr. Muhammad Rashid (Chairman) & Mr. Jalal Meghani

Standing from Left to Right:

Mr. M. Numan Shaikh (Suptt. Accident & Life), Mr. N.A. Usmani (Secretary General) &
Mr. Muhammad Kashif Naqvi

- For the last two years exemption is granted by the Sindh Revenue Board (SRB) for life & health insurance services on year basis due to efforts made at IAP level. The Committee suggested to involve ministries and departments e.g. MOF/MOC and FBR, etc. and also raise this issue while making tax proposals. Pressure groups such as trade chambers and business councils be approached and the Executive Committee's assistance be sought in this regard.
- The Committee's attention was drawn to the

directive issued by SECP on 25th March 2016 which required the life insurance companies to show inflation adjusted values in illustrations and would be a major concern for the industry and can have a serious detrimental impact on insurance business.

The matter was taken up with SECP with a request to withdraw/amend the requirements. A detailed letter was addressed to the Commissioner Insurance SECP. The SECP has however clarified the concerns.

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- The SECP vide letter dated 14th September 2015 on the subject had informed that National Risk Assessment exercise has been initiated under the directive of the General Committee constituted under Anti Money Laundering Act 2010 and insurance sector is one of the major component to be reviewed under the assessment. The assessment process includes General AML controls and product specific AML controls. Information and data gathering process includes consultations with insurance sector representatives including IAP. In this regard a Joint working group was constituted for assessing risks relating to AML issues in the industry, as requested by SECP nominations were made on the Group.
 - The Committee discussed the modalities for

companies tax collection on premium from Non-Filers U/S 236U of the Ordinance and was of the view that there is need to apprise the regulator that life companies cannot deduct tax without bringing it in notice of client for this purpose the company for the policies already issued to publicize it through newspapers for clients' information. It was felt that life insurance companies have certain difficulties in the implementation of the new section 236U of the Income Tax Ordinance, 2001 (ITO, 2001).

- The Committee discussed and finalized comments on various financial instruments and their application on life insurance industry which were submitted to ICAP.