

STRICTLY PRIVATE & CONFIDENTIAL

MINUTES OF THE SIXTEENTH EXECUTIVE COMMITTEE (EC) MEETING FOR 2022-2024 HELD ON TUESDAY 9TH JANUARY 2024, AT 10:00 A.M. IN PERSON AT IAP HOUSE AND THROUGH VIDEO LINK

PRESENT

Mr. Muhammad Hussain Hirji, Chairman
Mr. Zain Ibrahim, Vice-Chairman
Mr. Altaf Q. Gokal through video link
Dr. Bakht Jamal Shaikh
Mr. Faisal Khan through video link
Mr. M. Faisal Siddiqui through video link
Mr. Ihtsham Ul Haq Qureshi through video link
Mr. Nawaid Jamal
Mr. Omer Farooq
Mr. Saqib Zeeshan
Mr. Azfar Arshad, Ex-Officio Member through video link

In Attendance

Nabeel W. Sabir (Deputy Secretary General)

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Syed Kazim Hasan could not attend the meeting and was granted leave of absence.

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The meeting commenced with the recitation from the Holy Qur'an by the SG.

1. Confirmation and Signing of the Minutes of Executive Committee (EC) 2021-22 Meeting No.15 held on Tuesday, 5th December, 2023 at 10:00 A.M. through video link

The minutes which were circulated to members were confirmed by the Committee and approved to be signed by the Chairman.

2. Amendments in Circular 24/2010 – Reinsurance/ Retakaful Treaty Arrangements- 2024

SECP through Circular 18 of 2023 dated 6th December 2023 has extended the rating relaxation for the year 2024.

IAP had also requested SECP to extend the scope to both internal facultative and treaty placements which has not been entertained.

The EC advised to remind SECP to grant same relaxation for facultative placements.

3. Insurance sector meeting with NADRA



SECP facilitated a meeting of IAP and NADRA on 21st December 2023 in context of NADRA Verisys OTP and Bio Verisys requirements, discussion on IAP recommendations sent and extension of skip OTP feature.

4. PRA meeting with life companies

PRA wrote to SG IAP inviting all life CFOs for a meeting on 21st December 2023 to discuss matters of sales tax.

Life Committee was advised to prepare the needed proposals urgently.

5. PBA Meeting on Social Engineering Fraud coverage

PBA called a meeting on 15th December 2023 to discuss SBP circular on "Measures to Enhance Security of Digital Banking Products and Services" and possible insurance products to address subject coverage.

Industry representatives included

Mr. Khurram Nasim Ghuman

Mr. Asif Jabbar

Mr. Asif Ahmed

Mr. Uzair Mirza

EC was informed that the minutes of the meeting are awaited from PBA.

6. SECP's International InsureImpact Conference 2023

SECP held the International InsureImpact Conference 2023 (IIC 2023) in Karachi on 13th and 14th December, 2023.

7. Constitution Petition No. D-4318 of 2023 in Sindh against health insurance sales tax

Following 8 companies have filed petition D-4318 of 2023 in September 2023, and Stay has been granted last month.

1. Jubilee Life
2. IGI Life
3. TPL Insurance
4. EFU Health
5. Pak Qatar Family Takaful
6. Pak Qatar General Takaful
7. Premier Insurance
8. State Life Insurance

8. IAP Letter - Admissibility of Insurance Guarantee/ Bond Collateral u/s 32(2) of the Insurance Ordinance 2000

EC noted that IAP letter was sent to SECP on 6th November 2023 drawing SECP's attention towards Insurance Guarantee/ Bond Collateral being classified as inadmissible. The Insurance

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Ordinance Amendment Bill has not yet been promulgated and a notification through an S.R.O has been requested from SECP.

No response from SECP has been received yet and a reminder letter has been sent on 8th January 2024.

9. Proposal to Launch Life Insurance Policy Locator

First meeting of the Life Insurance Policy Locator committee was called on 6th October 2023,

1. Mr. Jibran Paracha, SECP,
2. Ms. Sahar Kanwal, SECP,
3. Mr. Zain Ibrahim,
4. Mr. Arshad Iqbal, GM Operations, EFU Life,
5. Mr. Saahib Shams, EFU Life,
6. Dr. Bakht Jamal,
7. Mr. M. Danish - Head/AGM Customer Services, Adamjee Life,
8. Mr. Muhammad Saleem, SVP Salaam Takaful Limited,
9. Muhammad Farhan Hasan, Pak Qatar Family Takaful
10. Muhammad Tafeeq Hanif, Head of Claims, Askari life Assurance Company Limited,
11. Zahir Shah, Jubilee Life,
12. Osama Khan, Jubilee Life,
13. Mr. Abdul Salam, Divisional Head (Policyholder's Services) State Life,

EC was briefed that IAP will get this facility developed, IAP has floated the RFP to 3 companies and proposals from 2 of them have been received.

10. Draft Amendments to the Insurance Rules, 2017 and the Insurance Accounting Regulations, 2017 (Treatment of Advance Tax and Management of Investment in Government Securities)

SECP through SRO 1514 and 1516 had introduced changes in Insurance Rules, 2017 Rule 16 and Insurance Accounting Regulations, 2017 regulation 11. These have been introduced in response to IAP's request seeking clarity in recording and treatment of advance withholding tax.

In addition to the comments advised by Life Committee and sent to SECP on 24th November 2023 (recorded in Annex A above). The following was suggested from non-life members and sent to SECP on 8th January 2024

"Dear Jaffer Sb.,

Considering the extended scope of Rule 11 in Accounting Regulation, 2017 for life insurer, we recommend similar amendments (addition) in Rule 18 of General Takaful Accounting Regulations, 2019 as follows:

"18A. Recording of advance or withholding tax.- (1) Advance or withholding tax or refundable tax attributable to the Operator's Fund shall be recorded in the books of the Operator's Fund and advance or withholding tax or refundable tax attributable to Participant Takaful Fund shall be recorded in the books of the respective Participant Takaful fund.

(2) It shall be permissible for the Operator's fund of the Takaful Operator to purchase the full amount of adjustable advance or withholding tax or refundable tax recorded in the books of the Participant Takaful Fund against cash or investments. The Operator's Fund shall, however,



mandatorily purchase advance or withholding tax or refundable tax related to the Participant Takaful Fund, which is adjustable within a period of one year."

11. FBR SRO 1771(1)/2023 Amendments in Income Tax Rules 2002 - New CHAPTER VIII B REAL TIME ACCESS TO INFORMATION AND DATABASES

Chairman T&L Committee called an emergency meeting of the Committee on Monday 11th December 2023.

EC advised to check with the Secretary General about the letter sent to FBR.

12. SUBMISSION OF PROPOSAL IN RELATION TO SINDH SALES TAX ON SERVICES ACT, 2011 & THE RULES MADE THEREUNDER

EC noted the SRB email and letter on the subject sent to members for comments latest by 10th January 2024.

It was noted that Life and Taxation Committees are working on finalizing the proposals.

13. Brief on Technical Committees' Activities

Committee noted progress of technical committees.

14. Outstanding Payments of Khalid Mahmood, Syed Asad Ali Shah, Akhtar & Hasan Actuaries and Deloitte

Committee noted the payment status

15. Any Other Matter with the Permission of the Chairman

16. Matters for Record

None

17. To Fix Day, Date, Time & Venue of the Next Executive Committee Meeting

The Committee authorized the Chairman to fix the date of the next meeting. The Chairman advised to hold the next meeting on Tuesday 6th February 2024 at 10:00 am in-person with the option of joining through video link for anyone who wishes to do so.

The meeting ended at 11:45 a.m. with a vote of thanks to the Chair.



C H A I R M A N

