

As the entire chapter consists of new text, the text is not underlined in the usual manner.

9 CREATION OR TRANSACTIONS OF CELLS OF A PROTECTED CELL COMPANY

9.1 Application

9.1.1 This chapter applies to Insurers that are Protected Cell Companies.

Guidance

A Protected Cell Company is a company incorporated as, or converted into, a Protected Cell Company in accordance with the provisions of the DIFC Company Regulations.

9.2 Creation of additional cells

9.2.1 An Insurer that is a Protected Cell Company may not create a new Cell unless approval has been granted by the DFSA.

9.2.2 An application to the DFSA for the approval for the creation of a new Cell must be made on the appropriate form in PFN, and shall be accompanied by such documents and information, verified in such manner, as the DFSA may require.

9.3 Determination of applications

9.3.1 The DFSA may:

- (a) grant approval;
- (b) grant approval with conditions or restrictions; or
- (c) refuse approval;

for the creation of a new cell.

9.4 Notice of the DFSA's decision

9.4.1 (1) Where the DFSA grants approval of a new Cell, the DFSA will without undue delay give the Insurer a written notice of its decision.

- (2) Where the DFSA grants approval of a new Cell with conditions or restrictions, the DFSA will without undue delay give the Insurer a written notice of its decision and, where requested by the Insurer, the reasons for the conditions.
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- (3) Where the DFSA refuses approval of a new Cell, the DFSA will without undue delay give a written notice of its decision to the Insurer and, where requested by the Insurer, the reasons for such refusal.

9.5 Rights of representation and appeal

- 9.5.1** The DFSA may only exercise its power to refuse an application for a new Cell, or to grant approval with conditions or restrictions, if it has given the Insurer a suitable opportunity to make representations in person and in writing in relation to the proposed refusal or the proposed conditions or restrictions.
- 9.5.2** The Insurer has the right to appeal a decision to refuse approval, or to grant approval with conditions or restrictions, to the Regulatory Appeals Committee which has the jurisdiction to hear and determine such an appeal.

9.6 Prohibition on dealings or transactions between cells

Guidance

1. Under the provisions of the DIFC Company Regulations dealings or transactions between Cells may take place only with the approval of the Court.
2. An Authorised Firm which intends to apply to the Court for approval under the provisions is invited to consult with the DFSA before making the necessary application to the Court.

9.7 Transfer of cellular assets from a protected cell company

Guidance

1. Certain transfers of cellular assets may take place only with the approval of the Court as defined under the provisions of the DIFC Company Regulations.
2. An Authorised Firm which intends to apply to the Court for approval under the provisions is invited to consult with the DFSA before making the necessary application.

9.8 Notifications

- 9.8.1** An Insurer must advise the DFSA immediately it becomes aware of any actual or prospective significant change in the type or scale of the business conducted through a Cell, or the ownership of the Cell shares.
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