

**Appendix 4**

In this Annex new text is indicated by underlining and deleted text by striking through.

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# The DFSA Rulebook

## Conduct of Business Module

### **(COB)**

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## 4 INSURANCE INTERMEDIATION BUSINESS

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### 4.2 Restrictions

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#### Insurance Intermediation

- 4.2.2** (1) An Authorised Firm must ensure, except to the extent permitted in Rule 4.2.3, that it does not carry on the Financial Service of Insurance Intermediation with or for a natural Person.
- (2) The application of (1) to a Domestic Firm is in relation to Insurance ~~Intermediation~~ Intermediation carried on in or from the DIFC or from a branch outside the DIFC.
- (3) The application of (1) to an Authorised Firm which is not a Domestic Firm, is in relation to Insurance Intermediation carried on through a Branch in the DIFC.
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## 11 RESPONSIBLE CONDUCT

### 11.2 Authorised Firm's duty of disclosure

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- 11.2.2** Before carrying on any Insurance ~~Intermediaries~~ Intermediation with or for a Commercial Customer an Authorised Firm must disclose whether it acts on behalf of an Insurer or any other Person or acts independently on behalf of Commercial Customers.
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## 14 INSURANCE MONIES

### 14.2 General

14.2.1 (1) Insurance Monies are, subject to (2), any monies arising from Insurance Intermediation or the Insurance Management business which are means any of the following items arising from Insurance Intermediation or Insurance Management business:

- (a) premiums, additional premiums and return premiums of all kinds;
- (b) claims and other payments monies due under eContracts of iInsurance;
- (c) refunds and salvages;
- (d) fees, charges, taxes and similar fiscal levies relating to eContracts of iInsurance;
- (e) discounts, commissions and brokerage; or
- (f) monies received from or on behalf of a customer of an Insurance Manager, in relation to his Insurance Management business.

(2) Monies are not Insurance Monies where there is a written agreement in place between the Insurance Intermediary or Insurance Manager and the insurer to whom the relevant monies are to be paid (or from whom they have been received) under which the insurer agrees that:

- (a) the Insurance Intermediary or Insurance Manager, as the case may be, holds as agent for the insurer all monies received by it in connection with Contracts of Insurance effected or to be effected by the insurer;
- (b) insurance cover is maintained for the customer once the monies are received by the Insurance Intermediary or the Insurance Manager, as the case may be; and
- (c) the insurer's obligation to make a payment to the customer is not discharged until actual receipt of the relevant monies by the customer.

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## 14.3 Insurance money segregation

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### 14.3.1 ~~Subject to Rule 14.3.12, a~~ An Insurance Intermediary or Insurance Manager when dealing with Insurance Monies must:

- (a) ~~Deleted~~ treat all monies received from, or on behalf of, a customer in respect of its Insurance Intermediation business as Insurance Monies
  - (b) maintain one or more separate Insurance Bank Accounts with an Eligible Bank in the U.A.E.;
  - (c) ensure that each Insurance Bank Account contains in its title the name of the Authorised Firm, together with the designation Insurance Bank Account (or IBA);
  - (d) prior to operating an Insurance Bank Account, give written notice to, and receive written confirmation from, the Eligible Bank that the bank is not entitled to combine the Insurance Bank Account with any other account unless that account is itself an Insurance Bank Account held by the Authorised Firm, or to any charge, encumbrance, lien, right of set-off, compensation or retention against monies standing to the credit of the Insurance Bank Account;
  - (e) pay all Insurance Monies directly and without delay into an Insurance Bank Account;
  - (f) use an Insurance Bank Account only for the following purposes:
    - (i) the receipt of Insurance Monies;
    - (ii) the receipt of such monies as may be required to be paid into the Insurance Bank Account to ensure compliance by the Authorised Firm with any conditions or requirements prescribed by the DFSA;
    - (iii) the payment to customers or to insurers of monies due under Insurance Intermediation Business transactions;
    - (iv) the payment of all monies payable by the Authorised Firm in respect of the acquisition of or otherwise in connection with Approved Assets;
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- (v) the withdrawal of brokerage, management fees and other income related to Insurance Intermediation Business, either in cash or by way of transfer to an account in the name of the Intermediary which is not an Insurance Bank Account, provided that no such sum may be withdrawn from the Insurance Bank Account before the time at which that amount may be brought into account as income of the Insurance Intermediary;
  - (vi) the withdrawal of monies paid into the Insurance Bank Account in error; and
  - (vii) the withdrawal of any monies credited to the Insurance Bank Account in excess of those required by any conditions and requirements prescribed by the DFSA;
- (g) ensure that any amount held in the Insurance Bank Account or other Approved Assets, together with any amount due and recoverable from insurance debtors, is equal to, or greater than the amount due to insurance creditors; and
- (h) take immediate steps to restore the required position if at any time it becomes aware of any deficiency in the required segregated amount.

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~~14.3.12~~ Rule 14.3.1 does not apply where there is a written agreement in place between the Insurance Intermediary and the insurer to whom the relevant Insurance Monies are to be paid (or from whom they have been received) under which the insurer agrees that:

- ~~(a) the Insurance Intermediary holds all Insurance Monies received by it in connection with Contracts of Insurance effected or to be effected by the Insurer as agent for the Insurer;~~
  - ~~(b) insurance cover is maintained for the customer once Insurance Monies are received by the Insurance Intermediary; and~~
  - ~~(c) the Insurer's obligation to make a payment to the customer is not discharged until actual receipt of the relevant payment by the customer.~~
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## PART 6 – CONDUCT OF TRUST SERVICE PROVIDERS

### 18 TRUST SERVICE PROVIDERS

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#### 18.16 DOCUMENTATION

##### Client agreement

- 18.16.1** Subject to Rule ~~8.16.3~~18.16.3, a Trust Service Provider must before Providing Trust Services to a Client provide him with a written client agreement containing the matters referred to in Rule ~~8.16.2~~18.16.2 or if impractical to do so, provide it within a reasonable period.
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