

**Appendix 3**

In this annex underlining indicates new text and striking through indicates deleted text.

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# The DFSA Rulebook

## Prudential – Insurance Business Module

**(PIN)**

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## 6 FINANCIAL AND OTHER REPORTING BY INSURERS

### 6.1 Introduction

6.1.1 This chapter applies to all Insurers.

#### **Guidance**

~~This chapter sets out requirements for reporting by Insurers to the DFSA, including requirements for audit of the Annual Regulatory Return. The Quarterly Regulatory Return is not subject to audit.~~

### 6.2 Annual regulatory return

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6.2.3 The form and content of the statements comprising the Annual Regulatory Return (including the Statement by Directors) is set out in App10, PRU chapter 3 and PIN App10 and the DFSA's electronic prudential reporting system.

#### **Guidance**

The Returns and instructional guidelines are provided in App10, PRU and the DFSA's electronic prudential reporting system.

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### 6.3 Quarterly regulatory return

#### **Guidance**

The Quarterly Regulatory Return is not subject to audit.

6.3.1 Subject to Rule 6.3.4, an Insurer must, at the end of March, June, September and December in each year, prepare a Quarterly Regulatory Return in respect of the period commencing at the start of the Insurer's reporting period and ending on that date.

6.3.2 The Quarterly Regulatory Return ~~shall~~ must comprise the statements set out in App10, together with any Supplementary Notes pertaining to those forms, and including a Statement by Directors. [Amended] [VER5/06/07] [RM44/07]

- 6.3.3** The form and content of the statements comprising the Quarterly Regulatory Return (including the Statement by Directors) ~~are~~ is set out in App10, PRU chapter 3 and PIN App10 and the DFSA's electronic prudential reporting system.

**Guidance**

The Returns and instructional guidelines are provided in App10, PRU and the DFSA's electronic prudential reporting system.

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## **6.4 Audit of annual regulatory return**

- 6.4.1** Subject to Rule 6.4.2, the Annual Regulatory Return of every Insurer must be audited in accordance with International Statements on Auditing relevant to the audit of the Annual Regulatory Return, by the Insurer's auditor.

**Guidance**

The Quarterly Regulatory Return is not subject to audit. The qualifications and appointment of the auditor of an Authorised Firm are specified in GEN chapter 8.

- 6.4.2** The statements in the Annual Regulatory Return that are not subject to audit are set out in App10, PRU chapter 3 and PIN App10 and the DFSA's electronic prudential reporting system.
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## **6.5 Filing Submission of accounts Returns to with the DFSA**

- ~~**6.5.1** The Annual Regulatory Return, accompanied by the auditor's report on the Annual Regulatory Return, and any actuarial report prepared as at the reporting date in accordance with section 7.2 or 7.3, must be filed in writing by the Insurer with the DFSA, within four months of the Insurer's reporting date.~~

- 6.5.1** Subject to Rule 6.5.2, an Authorised Firm must, submit its Annual Regulatory Return in writing to the DFSA within four months of the Insurer's reporting date to:

Supervision Division  
DFSA  
Level 13, The Gate  
PO Box 75850  
Dubai, United Arab Emirates

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**6.5.2** When the DFSA has issued a notice announcing that the DFSA's electronic prudential reporting system is in operation, an Authorised Firm must, from the date specified in the notice submit its Annual Regulatory Return to the DFSA using the DFSA's electronic prudential reporting system. Such submission must be in accordance with any instructions set out in the notice and any instructions provided through such a system or specified in App10 and PRU.

**Guidance**

The Returns and instructional guidelines are provided in App10, PRU and the DFSA's electronic prudential reporting system.

**6.5.2 6.5.3** The statement of eDirectors in the Annual Regulatory Return must be signed authenticated by:

- (a) the Senior Executive Officer; and
- (b) a Director of the Insurer not being the Person in (a).

**6.5.4** For the purpose of authentication in Rule 6.5.3, the specified individuals must sign a hard copy of the Annual Regulatory Return and keep an original copy of the Annual Regulatory Return for at least 6 years for inspection by the DFSA.

**6.5.5** The auditor's report on the Annual Regulatory Return, and any actuarial report prepared as at the reporting date in accordance with section 7.2 or 7.3, must be submitted in writing by the Insurer with the DFSA within four months of the Insurer's reporting date.

**6.5.3 6.5.6** An auditor's report or an actuarial report filed submitted with to the DFSA Annual Regulatory Return must be signed by the auditor or the Actuary preparing that report.

**6.5.7** Subject to Rule 6.5.8, an Authorised Firm must, submit its Quarterly Regulatory Return in writing to the DFSA within two months of the end of each period in respect of which the Insurer is required to prepare a Quarterly Regulatory Return to:

Supervision Division  
DFSA  
Level 13, The Gate  
PO Box 75850  
Dubai, United Arab Emirates

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~~6.5.4~~ 6.5.8 When the DFSA has issued a notice announcing that the DFSA's electronic prudential reporting system is in operation, an Authorised Firm must, from the date specified in the notice submit its Quarterly Regulatory Return to the DFSA using the DFSA's electronic prudential reporting system. Such submission must be in accordance with any instructions set out in the notice and instructions provided through such a system or specified in App10 and PRU in writing by the Insurer with the DFSA within two months of the end of each period in respect of which the Insurer is required to prepare a Quarterly Regulatory Return.

**Guidance**

The Returns and instructional guidelines are provided in App10, PRU and the DFSA's electronic prudential reporting system.

~~6.5.5~~ 6.5.9 The statement of ~~d~~Directors in the Quarterly Regulatory Return must be signed and authenticated by:

- (a) if the Insurer is a DIFC Incorporated Insurer, one Director of the Insurer; or
- (b) if the Insurer is not a DIFC Incorporated Insurer, the Senior Executive Officer and, if that Person is not a Director, one Director of the Insurer.

6.5.10 For the purpose of authentication in Rule 6.5.9, the specified individual must sign a hard copy of the Quarterly Regulatory Return and keep an original copy of the Quarterly Regulatory Return for at least 6 years for inspection by the DFSA.

~~6.5.6~~ 6.5.11 If within 24 months of the date that an Annual Regulatory Return or Quarterly Regulatory Return is filed submitted with to the DFSA, the DFSA notifies the Insurer that ~~that document~~ a Return appears to be inaccurate or incomplete, the Insurer must consider the matter and within one month of the date of notification it must correct any inaccuracies and make good any omissions and re-submit deposit the relevant parts of the ~~documents~~ Return again.

~~6.5.7~~ 6.5.12 An Insurer must submit file, at the same time as every Annual Regulatory Return of that Insurer or as soon as practicable thereafter, any report on the affairs of the Insurer submitted to the shareholders or policyholders of the Insurer in respect of the reporting period to which the Annual Regulatory Return relates.

**Guidance**

~~Because of the effect of GEN section 6.2, a document that is required by these Rules to be submitted in writing may be submitted electronically, without the need for printed copies. Where a document is required to be signed, an Insurer may submit an electronic image of the signed document. Insurers that submit signed documents electronically should still retain the original signed documents for a reasonable period. Insurers are, like all Authorised Firms, required by GEN to retain adequate records in relation to regulatory matters.~~

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## APP10 REPORTING TO THE DFSA

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### A10.2 Completion of forms for global, cell, fund and DIFC business reporting units

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**A10.2.2** There are four types of reporting units in respect of which an Insurer may be required to ~~complete~~ submit a Return. These are referred to in this appendix and the forms as the global reporting unit, the Cell reporting unit, the fund reporting unit and the DIFC business reporting unit. The Returns in respect of of these reporting units are referred to respectively in this appendix and the forms as the Global Return, the Cell Return, the Fund Return and the DIFC Business Return.

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### A10.3 Content of ~~r~~Returns

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**A10.3.3** The forms referred to in section A10.3.1 and section A10.3.2 must be prepared for each reporting unit for which an Insurer is required to ~~complete~~ submit an Annual Regulatory Return or a Quarterly Regulatory Return as applicable, except where:

- (a) this appendix or the form states that the form is not required for that reporting unit, or for that Insurer; or  
[Amended] [VER6/07-07] [RM46/07]
- (b) the form would contain no information, in which case the linsurer may omit the form and present a Supplementary Note stating that the form has not been prepared for that reason.

**A10.3.4** The ~~format of the forms contained in~~ comprising the Returns is are set out in PRU and the DFSA's electronic prudential reporting system.

**A10.3.5** Items must be disclosed ~~on the forms in the Rules~~ in accordance with the ~~descriptions set out on the face of the forms~~ instructional guidelines set out in PRU and the DFSA's electronic prudential reporting system, subject to the effects of other provisions of this appendix.

**A10.3.6** Where an item is described ~~on the face of a form~~ in a Return as the result of a mathematical calculation, that mathematical calculation must be used to determine that item except where these Rules or the relevant instructional guidelines require otherwise. [Amended] [VER6/07-07] [RM46/07]

**Guidance**

The Returns and instruction guidelines are provided in App10, PRU and the DFSA's electronic prudential reporting system.

**A10.4 General provisions relating to the completion of forms**

**Guidance**

Annual Regulatory Returns follow the cycle of the Insurer's normal statutory reporting, under the Companies Law 2004 in the DIFC and under equivalent legislation elsewhere. Quarterly Regulatory Returns are presented on a year to date basis at specified dates.

**A10.4.1** Supplementary Notes must be presented in accordance with any instructions provided through the DFSA's electronic prudential reporting system or specified in PRU on separate pages, not included on the face of the forms to which they relate. Each Supplementary Note must identify the form to which it relates.

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**A10.4.6** Each page ~~in a Return, including of the Statement by Directors and any Supplementary Notes,~~ must show:

- (a) the words 'Annual Regulatory Return' or 'Quarterly Regulatory Return', as applicable;
- (b) ~~[Deleted]~~ sufficient information to identify the form or other statement;
- (c) the Insurer's licence number;
- (d) the Insurer's name;
- (e) the reporting period to which the Return relates;
- (f) whether the Return is a Global, Cell, Fund or DIFC Business Return; and

- (g) where the return relates to a Cell or a Long-term Insurance Fund, sufficient information to identify the Cell or Long-term Insurance Fund in question.

**A10.4.8** Where an Insurer arranges its affairs such that a Cell or Long-Term Insurance Fund maintained by it pays or receives income in the form of interest, dividends, rental, recharge of management expenses or other investment income, from another reporting unit of the Insurer, that income must be shown gross as an expense in the reporting unit bearing the expense, and as income in the reporting unit receiving the income. Where, however, the same reporting unit records the income and the expense, the two must be netted off.

**Guidance**

This section establishes accounting policy in respect of transactions between reporting units. Internal recharges within an Insurer should be shown as such where they are external to a reporting unit of that Insurer. However, where a reporting unit (for example, the Global Return of an Insurer that is not a Protected Cell Company, and that maintains one or more Long-Term Insurance Funds) includes both 'sides' of the internal transaction, the internal transaction must be eliminated by netting off the income and expense.

**A10.5 Statement by directors**

**Guidance**

1. The Statement by Directors forms a part of the Annual Regulatory Return or the Quarterly Regulatory Return. By providing these statements, the directors confirm that the Returns have been properly prepared and that the Insurer complies with applicable prudential rules.
2. The Statement by Directors is set out as statements that must be made, but circumstances may arise when a statement cannot be made because it would be untrue to do so. Under such circumstances this section provides for the Directors to provide an explanation in place of the omitted statement.

**A10.5.1** Every Return must include a Statement by Directors, in accordance with this section.

**A10.5.2** The Statement by Directors forming part of the Annual Regulatory Return must state that:

- (a) the Annual Regulatory Return has been prepared in accordance with the provisions of PIN chapter 6 and this appendix;

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