



QATAR FINANCIAL CENTRE

**REGULATORY
AUTHORITY**

Insurance Mediation Business (Consequential Amendments) Rules 2011

QFCRA Rules 2011-4

The Board of the Qatar Financial Centre Regulatory Authority makes the following rules, and gives the following guidance, under the *Financial Services Regulations*.

Dated 20 June 2011

PHILLIP THORPE
Chairman



Insurance Mediation Business (Consequential Amendments) Rules 2011

QFCRA Rules 2011-4

made under the

Financial Services Regulations

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1 Name of rules

These rules are the *Insurance Mediation Business (Consequential Amendments) Rules 2011*.

2 Commencement

- (1) These rules (other than amendments [1.27], [1.68] and [1.129] commence on the commencement of the *Insurance Mediation Business Rules 2011*.
- (2) Amendments [1.27], [1.68] and [1.129] commence immediately after the commencement of the *Insurance Mediation Business Rules 2011*.

Note The *Insurance Mediation Business Rules 2011* commence on 1 July 2011.

3 Rules amended

These rules amend the *Rules* mentioned in schedule 1.

4 Explanatory notes

An explanatory note in these rules is not part of these rules.

Schedule 1 Amendments

(see r 3)

Part 1.1 Assets Rulebook (ASET)

[1.1] Background

omit

Explanatory note

This amendment omits a background statement. The background is replaced by guidance inserted by the next amendment.

[1.2] Chapter 1

substitute

Chapter 1 General provisions

Part 1.1 Introductory

1.1.1 Name of rules

These rules are the *Assets Rules 2005* (or ASET).

1.1.2 Glossary

The glossary at the end of these rules is part of these rules.

Note 1 There are also relevant definitions in the *Interpretation and Application Rulebook (INAP)* glossary. To assist the reader, the application of a

definition in that glossary would usually be indicated by the word(s) being in italics (other than bold italics).

- Note 2* By contrast, the application of a definition in the glossary in these rules is not indicated by the word(s) being in italics.
- Note 3* For the application of definitions, see INAP, r 2.1.8 (Application of definitions).
- Note 4* A note in or to these rules is explanatory and is not part of the rules (see INAP, r 2.1.6 (1) and r 2.1.7).
- Note 5* However, examples and guidance are part of these rules (see INAP, r 2.1.4 (1) (b) and (2)).
- Note 6* An example is not exhaustive, and may extend, but does not limit the meaning of these rules or the particular provision of these rules to which it relates (see INAP, r 2.1.5).
- Note 7* For the effect of guidance, see the *Financial Services Regulations*, art 17 (4).

Part 1.2 Basic concepts and key terms

Guidance

The *Regulatory Authority* considers that the proper safeguarding of money and other assets belonging to clients is essential to the pursuit of its objectives of maintaining the financial stability of the QFC, the promotion and maintenance of market confidence in, and the international reputation of, the QFC, and promoting and maintaining efficient and transparent markets.

1.2.1 What is *client money*?

- (1) For these rules, *client money* of an authorised firm (or firm) is money—
 - (a) that the firm receives from or holds for a *client* in the course of, or in connection with, conducting *investment business* in or from the QFC; or

-
- (b) that the firm treats as client money in accordance with chapter 2.

Note **Money** is defined in r 1.2.2 and **holds** is defined in r 1.2.3.

- (2) This rule is subject to part 2.2 (Client money exceptions).

1.2.2 What is *money*?

For these rules, **money** is any form of money of any currency, and includes a cheque or other payable order.

1.2.3 When does a firm *hold* money?

For these rules, a firm **holds** money if the money is held—

- (a) directly by the firm; or
- (b) in an account in the firm's name; or
- (c) by a *person*, or in an account in the name of a *person*, controlled by the firm.

1.2.4 What is a *custody investment*?

A **custody investment** of an authorised firm (or firm) is a *relevant investment* belonging to a *client* in relation to which the firm provides custody services, or arranges the provision of custody services, in or from the QFC.

Note **Providing custody services** and **arranging the provision of custody services** are defined in the glossary.

Explanatory note

This amendment renames ASET consistently with more recent rules and inserts a glossary provision with notes. The glossary will facilitate the use of definitions that apply only to these rules and enable definition usage to be rationalised over time.

The amendment relocates in a more accessible form definitions presently located in INAP and in ASET, rule 2.1.2, rule 2.2.4, and rule 4.2.1. The amendment also clarifies the application of some of the definitions.

The amendment also omits the existing application provisions of ASET, chapter 1. The application provisions are relocated to other chapters of ASET by other amendments. Existing rule 1.2.1 is no longer needed because of other amendments (see amendments of r 2.10.1, r 4.8.1 and r 5.3.1) and existing rule 1.2.2 is redundant.

[1.3] Chapter 2 heading

substitute

Chapter 2 Client money

Explanatory note

This amendment is consequential on other amendments of ASET.

[1.4] Section 2.1

substitute

Part 2.1 Client money—application

2.1.1 Application—ch 2

- (1) This chapter applies to an authorised firm (or firm) if—
 - (a) the firm conducts *investment business* in or from the QFC; and
 - (b) the firm holds client money.

Note 1 *Client money* is defined in r 1.2.1 and *holds* is defined in r 1.2.3.

Note 2 Rule 7.1.1 prohibits certain firms from holding money for clients.

- (2) However, this chapter does not apply to a firm with an authorisation that permits it to conduct *insurance mediation* or *captive insurance*

management (or both) and no other business that is or includes a regulated activity.

Note 1 **Insurance mediation** and **captive insurance management** are defined in the *Insurance Mediation Business Rules 2011*, r 1.2.2 and r 1.2.5 respectively. **Authorisation** and **regulated activity** are defined in the glossary.

Note 2 For subrule (2), the client money provisions in the *Insurance Mediation Business Rules 2011* apply to the firm.

- (3) Also, this chapter does not apply to the independent entity of a QFC scheme that is not a private placement scheme, or to the operator of a QFC scheme that is a private placement scheme, in relation to the exercise of the function of safeguarding the scheme property.

Note 1 **Independent entity**, **QFC scheme**, **private placement scheme**, **operator** and **scheme property** are defined in the *Collective Investment Schemes Rules 2010*.

Note 2 **Exercise** and **function** are defined in the glossary.

Note 3 For audit and reporting requirements for client money, see *GENE*, r 9.5.1 and r 9.5.2.

Explanatory note

This amendment is consequential on other amendments of ASET.

[1.5] Section 2.2

substitute

Part 2.2 Client money exceptions

2.2.1 Client money exceptions—money payable to firm

- (1) Money is not *client money* of a firm in relation to a *client* if it is (or becomes) payable immediately by the *client* to the firm for the firm's own account.
- (2) Without limiting subrule (1), money is payable to the firm for the firm's own account if it is paid by the *client* to the firm, or deducted by the firm from money held by the firm for the *client*, in settlement of—
 - (a) a fee or charge that is payable by the *client* to the firm; or
 - (b) an amount payable by the *client* to the firm in relation to an amount paid by the firm—
 - (i) in relation to the purchase of an investment by or for the *client*; or
 - (ii) in settlement of a margin payment made for the *client*; or
 - (c) an amount payable by the *client* to the firm in relation to an unpaid purchase of an investment by or for the *client* if the investment has been delivered to the *client* or credited to the *client's* account.

2.2.2 Client money exceptions—cheques etc forwarded to regulated financial institutions outside QFC

- (1) *Client money* of a firm does not include a cheque or other payable order received from a *client* that is made payable to a *regulated financial institution* if it—
 - (a) is not collected or paid in the QFC; but
 - (b) is forwarded by the firm to the *regulated financial institution* outside the QFC in accordance with the *client's* instructions as soon as practicable (but no later than 2 *business days* after the day it is received by the firm).
- (2) A firm must make, and keep—
 - (a) a record of all cheques and other payable orders to which subrule (1) applies; and
 - (b) a copy of each of them.
- (3) The record of a cheque or other payable order must include the following details:
 - (a) the *client*;
 - (b) the *regulated financial institution*;
 - (c) the date it was received by the firm;
 - (d) the date it was forwarded to the *regulated financial institution*.

2.2.3 Client money exceptions—money to which client money protection rules do not apply

Client money of a firm does not include money to which the client money protection rules do not apply under section 2.3 (Disapplication of Client Money Protection Rules).

Note *Client money protection rules* is defined in the glossary.

2.2.4 Client money exceptions—money held as an eligible bank

- (1) This rule applies to a firm that is an *eligible bank*.
- (2) *Client money* of a firm does not include money held in an account with the firm if the firm has notified the *client* in writing (through the firm's terms of business or otherwise) that—
 - (a) money belonging to the *client* will be held by the firm as a bank and not as trustee; and
 - (b) such money will not be subject to the client money protection rules.

2.2.5 Client money exceptions—money held in account with itself

- (1) *Client money* of a firm does not include money held in an account with the firm itself if—
 - (a) the money is held in circumstances where all of the firm's obligations to repay such money to the client (or to its order) have been fully, unconditionally and irrevocably guaranteed by an eligible bank; and
 - (b) the firm complies with subrule (2).
- (2) For subrule (1) (b), the firm must—
 - (a) notify the *client* in writing (through the firm's terms of business or otherwise) that—
 - (i) the firm's obligations to repay money belonging to the *client* have been fully, unconditionally and irrevocably guaranteed by an *eligible bank*; and

-
- (ii) such money will not be subject to the client money protection rules; and
 - (b) give the *client* a copy of the guarantee from the *eligible bank*; and
 - (c) obtain a legal opinion from a reputable law firm in the jurisdiction in which the *eligible bank* is incorporated, confirming that the guarantee is legal, valid, binding and enforceable under the laws of that jurisdiction (including on the insolvency or winding-up of the firm); and
 - (d) confirm to the *Regulatory Authority* that it has obtained the opinion required under paragraph (c).

2.2.6 Client money exceptions—money from associate

- (1) *Client money* of a firm does not include money received from an *associate*.
- (2) However, money received from an *associate* of a firm is *client money* if the *associate* notifies the firm in writing that the money is to be held by the firm on behalf of a *person* who is not in the same *group* as the firm.

2.2.7 Client money exceptions—money for issue or redemption of units in QFC schemes

- (1) Client money of a firm does not include money received by a firm in a ‘delivery against payment transaction’ for settling a transaction in relation to units in a QFC scheme if—
 - (a) the operator of the scheme receives it from the *client* in relation to the operator’s obligation to issue units in accordance with

COLL, unless the price of those units has not been determined by the close of business on the next *business day*—

- (i) after the date of the receipt of the money from the *client*;
or
 - (ii) if the money was received by an *appointed representative* of the operator under rule 2.5.3A—after the date of receipt at the registered address in the QFC of the operator; or
- (b) the money is held in the course of redeeming units in accordance with COLL and the proceeds of that redemption are paid to a *client* within the time specified in COLL.
- (2) If the operator of the scheme draws a cheque or other payable order to pay a *client* under subrule (1) (b) and the cheque or order is drawn within the time specified in COLL for paying the client, rule 2.8.3 does not apply.

Note **Unit, QFC scheme, operator** are defined in the *Collective Investment Schemes Rules 2010*.

Explanatory note

This amendment is consequential on other amendments of ASET. In particular, the material previously in rule 2.2.1 that overlaps with the definition of **client money** in new rule 1.2.1 (which is inserted by another amendment) has been omitted.

New rule 2.2.1 corresponds to existing ASET, rule 2.2.1 (C) and r 2.2.3. The rule clarifies the scope and operation of the existing provisions.

New rule 2.2.2 corresponds to existing ASET, rule 2.2.1 (E).

New rule 2.2.3 corresponds to existing ASET, rule 2.2.1 (F).

New rule 2.2.4 corresponds to existing ASET, rule 2.2.1 (A).

New rule 2.2.5 corresponds to existing ASET, rule 2.2.1 (B).

New rule 2.2.6 corresponds to existing ASET, rule 2.2.1 (D).

New rule 2.2.7 inserts exceptions relating to transactions in units in collective investment schemes.

[1.6] Rules 2.5.1 and 2.5.2

substitute

2.5.1 What is a *client bank account*?

A *client bank account* of an authorised firm (or firm) is a bank account, maintained by the firm with an *eligible bank*, that complies with rule 2.5.2.

2.5.2 Client bank account requirements

- (1) A client bank account of a firm must have the words ‘client bank account’ in the name of the account.
- (2) When a firm opens a client bank account with an *eligible bank*, the firm must—
 - (a) notify the bank in writing that—
 - (i) all money standing to the credit of the account is held by the firm as trustee; and
 - (ii) the bank is not entitled to combine the account with any other account or to exercise any right of set-off or counterclaim against money in the account in relation to any amount owed to it on any other account of the firm; and
 - (b) ask the bank in writing to give it a written acknowledgement of the matters mentioned in paragraph (a) (i) and (ii).

Note **Writing** is defined in the glossary.

-
- (3) If the *eligible bank* does not give the firm the written acknowledgment within 1 *month* after the day the firm asks for it, the firm must cease to hold any client money with the bank unless the firm is satisfied on reasonable grounds that the failure to obtain the acknowledgement would not affect the recognition of *client* beneficial entitlements to the money held in the client bank account (under the trust created by rule 2.4.1) under the laws of the jurisdiction in which the account is held (including on the insolvency or winding-up of the firm or the bank).

Note **Jurisdiction** is defined in the glossary.

Explanatory note

This amendment revises provisions to bring them more closely into line with equivalent provisions in the new *Insurance Mediation Business Rules 2011*.

[1.7] New rule 2.5.3A

insert

**2.5.3A Approved representatives and non-QFC intermediaries—
payment into client bank accounts**

A firm must take reasonable steps to ensure that client money received by an *approved representative* or *non-QFC intermediary* of the firm is paid into a client bank account of the firm as soon as possible after it is received but within 1 *business day* after the day it is received.

Explanatory note

This amendment inserts a provision presently in COND, rule 2.2.7 (1).

[1.8] Rule 2.6.1

omit

this rulebook

substitute

these rules

Explanatory note

This amendment is consequential on the renaming of ASET.

[1.9] New rule 2.10.1 (4)

insert

- (4) The firm must send each statement directly to the *client* and not to another *person*, unless it has written instructions from the *client* requiring or allowing it to send the statement to the other *person*.

Note **Writing** is defined in the glossary.

Explanatory note

This amendment relocates a provision presently in rule 1.2.1 and brings the provision more closely into line with the equivalent provision in COND (see r 2.4.2).

[1.10] Rule 2.11.8 (2)

omit

in this rulebook

substitute

of these rules

Explanatory note

This amendment is consequential on the renaming of ASET.

[1.11] Rule 2.13.2

omit

this rulebook applies.

substitute

these rules apply.

Explanatory note

This amendment is consequential on the renaming of ASET.

[1.12] Section 3.1

substitute

Part 3.1 Client money distribution rules— application

3.1.1 Application—ch 3

- (1) This chapter applies to an authorised firm (or firm) if—
 - (a) the firm conducts *investment business* in or from the QFC; and
 - (b) the firm holds client money.

Note 1 **Client money** is defined in r 1.2.1 and **holds** is defined in r 1.2.3.

Note 2 Rule 7.1.1 prohibits certain firms from holding money for clients.

- (2) However, this chapter (other than rule 3.2.2) does not apply to a firm with an authorisation that permits it to conduct *insurance mediation* or *captive insurance management* (or both) and no other business that is or includes a regulated activity.

Note 1 **Insurance mediation** and **captive insurance management** are defined in the *Insurance Mediation Business Rules 2011*, r 1.2.2 and r 1.2.5 respectively. **Authorisation** and **regulated activity** are defined in the glossary.

Note 2 For subrule (2), the client money provisions in the *Insurance Mediation Business Rules 2011* apply to the firm.

-
- (3) Also, this chapter does not apply to the independent entity of a QFC scheme that is not a private placement scheme, or to the operator of a QFC scheme that is a private placement scheme, in relation to the exercise of the function of safeguarding the scheme property.

Note 1 **Independent entity, QFC scheme, private placement scheme, operator and scheme property** are defined in the *Collective Investment Schemes Rules 2010*.

Note 2 **Exercise and function** are defined in the glossary.

Note 3 For audit and reporting requirements for client money, see *GENE*, r 9.5.1 and r 9.5.2.

Explanatory note

This amendment is consequential on other amendments of ASET.

[1.13] Rule 3.2.2

after

Third Party Accounts

insert

, or in client bank accounts within the meaning of *IMEB*,

Explanatory note

This amendment applies the rule to a firm that is incorporated in the QFC and is conducting insurance mediation or captive insurance management (or both) and no other business that is or includes a regulated activity.

[1.14] Rule 3.2.2

omit

Rule 3.2.1(A)

insert

rule 3.2.1 (A) or *IMEB*, rule 4.2.1 (1) (a)

Explanatory note

This amendment applies the rule to a firm that is incorporated in the QFC and is conducting insurance mediation or captive insurance management (or both) and no other business that is or includes a regulated activity.

[1.15] After rule 3.2.2

insert

Note Under rule 3.1.1 (2), this rule applies to a firm that is incorporated in the QFC and is conducting *insurance mediation* or *captive insurance management* (or both) and no other business that is or includes a regulated activity.

Explanatory note

This amendment is consequential on other amendments of ASET.

[1.16] Rule 4.1.1 note

substitute

Note For audit and reporting requirements in relation to custody services, see *GENE*, r 9.5.1 and r 9.5.3.

Explanatory note

This amendment updates a cross-reference consequentially on amendments of *GENE*.

[1.17] New r 4.1.6

insert

4.1.6 Application of ch 4 in relation to QFC schemes

- (1) This chapter applies to the independent entity of a QFC scheme that is not a private placement scheme, and to the operator of a QFC

scheme that is a private placement scheme, in relation to the exercise of the function of safeguarding the scheme property as if—

- (a) a reference to the *client* were a reference to the QFC scheme; and
- (b) all other necessary changes were made.

Note 1 **Independent entity, QFC scheme, operator** and **scheme property** are defined in the *Collective Investment Schemes Rules 2010*. **Private placement scheme** is defined in the *Private Placement Schemes Rules 2010*.

Note 2 **Exercise** and **function** are defined in the glossary.

- (2) This chapter does not apply to the operator of a QFC scheme in relation to the exercise of any other function in relation to the scheme.

Explanatory note

This amendment inserts a new rule to apply (and consequentially modify) ch 4 (Providing Custody Services) to the function of safeguarding property of QFC schemes as exercised by independent entities of QFC schemes that are not private placement schemes and by the operators of QFC schemes that are private placement schemes.

[1.18] Section 4.2

omit

Explanatory note

This amendment omits a definition of *custody investments*. The definition is relocated to new rule 1.2.4 by another amendment.

[1.19] Rules 4.4.2 and 4.5.5 (4) (d)

omit

this rulebook

substitute

these rules

Explanatory note

This amendment is consequential on the renaming of ASET.

[1.20] New rule 4.8.1 (4)

insert

- (4) The firm must send each statement directly to the *client* and not to another *person*, unless it has written instructions from the *client* requiring or allowing it to send the statement to the other *person*.

Note **Writing** is defined in the glossary.

Explanatory note

This amendment relocates a provision presently in rule 1.2.1 and brings the provision more closely into line with the equivalent provision in COND (see r 2.4.2).

[1.21] Rule 4.9.4 (2)

omit

this rulebook

substitute

these rules

Explanatory note

This amendment is consequential on the renaming of ASET.

[1.22] New rule 5.3.1 (4)

insert

- (4) The firm must send each statement directly to the *client* and not to another *person*, unless it has written instructions from the *client* requiring or allowing it to send the statement to the other *person*.

Note **Writing** is defined in the glossary.

Explanatory note

This amendment relocates a provision presently in rule 1.2.1 and brings the provision more closely into line with the equivalent provision in COND (see r 2.4.2).

[1.23] Rule 6.1.1 (1), definition of *mandate* (other than examples)

substitute

mandate, for an authorised firm (or firm), means any written authority from a *client* under which the firm may control assets or liabilities of the *client* in the course of, or in connection with, the firm's *investment business*.

Note **Writing** is defined in the glossary.

Explanatory note

This amendment limits the effect of the definition (and the operation of rule 6.1.1) to client mandates in relation to investment business. Client mandates in relation to insurance mediation are dealt with in the new *Insurance Mediation Business Rules 2011*.

[1.24] New rule 6.1.2

insert

6.1.2 Application of ch 6 in relation to QFC schemes

This chapter applies to the independent entity of a QFC scheme that is not a private placement scheme, and to the operator of a QFC scheme that is a private placement scheme, in relation to mandates as if—

- (a) a reference to the *client* were a reference to the QFC scheme;
and
- (b) all other necessary changes were made.

Note **Independent entity**, **QFC scheme** and **operator** are defined in the *Collective Investment Schemes Rules 2010*. **Private placement scheme** is defined in the *Private Placement Schemes Rules 2010*.

Explanatory note

This amendment inserts a new rule to apply (and consequentially modify) ch 6 (Client mandates) to the use of QFC schemes by independent entities of QFC schemes that are not private placement schemes and the operators of QFC schemes that are private placement schemes.

[1.25] Chapter 7

substitute

Chapter 7 Restrictions on holding client money

7.1.1 Certain firms must not hold client money

- (1) An authorised firm (or firm) must not hold client money if its authorisation permits it to conduct only 1 or more of the following regulated activities in or from the QFC:
 - (a) arranging deals in investments;
 - (b) arranging credit facilities;
 - (c) arranging the provision of custody services;
 - (d) advising on investments.

Note 1 **Client money** is defined in r 1.2.1. **Regulated activity** and the regulated activities mentioned in r (1) are defined in the glossary.

Note 2 The *Insurance Mediation Business Rules 2011* applies to the holding (and the prohibition against holding) of client money by firms with an authorisation to conduct *insurance mediation* or *captive insurance management* (or both) and no other business that is or includes a regulated activity.

Note 3 The *Captive Insurance Business Rules 2011* applies to the holding (and the prohibition against holding) of client money by firms with an authorisation to conduct *captive insurance business* and no other business that is or includes a regulated activity.

- (2) If—
- (a) the firm receives any money from a *client*; and
- Note* **Money** is defined in r 1.2.2.
- (b) an exception in part 2.2 (Client money exceptions) does not apply to the money;
- the firm must immediately return the money to the *client*.
- (3) The firm must make, and keep—
- (a) a record of all money to which subrule (2) applies; and
 - (b) for a cheque or other payable order—a copy of the cheque or other payable order.
- (4) The record must include the following details:
- (a) the *client*;
 - (b) the date the money was received by the firm;
 - (c) the date the money was returned to the *client*.

Explanatory note

This amendment omits a chapter dealing with insurance (client) money. Client money in relation to insurance mediation and captive insurance management is dealt with in the new *Insurance Mediation Business Rules 2011*.

This amendment also inserts provisions relating to restrictions on client money (and insurance money) presently located in GENE, section 2.5. These provisions are omitted from GENE by another amendment.

[1.26] New glossary

insert

Glossary

(see r 1.1.2)

advising on investments means the regulated activity described in the *Financial Services Regulations*, schedule 3, part 2, paragraph 11.

Note ***Regulated activity*** is defined in this glossary.

arranging credit facilities means the regulated activity described in the *Financial Services Regulations*, schedule 3, part 2, paragraph 7.

arranging deals in investments means the regulated activity described in the *Financial Services Regulations*, schedule 3, part 2, paragraph 5.

arranging the provision of custody services means the regulated activity described in the *Financial Services Regulations*, schedule 3, part 2, paragraph 9.

authorisation means an authorisation granted under the *Financial Services Regulations*, part 5.

authorised firm (or ***firm***) means a *person* that has an authorisation.

Note ***Authorisation*** is defined in this glossary.

client bank account has the meaning given by rule 2.5.1.

client money has the meaning given by rule 1.2.1.

client money distribution rules means the provisions of chapter 3.

client money protection rules means the provisions of sections 2.4 to 2.13.

COLL means the *Collective Investment Schemes Rules 2010*.

custody investment has the meaning given by rule 1.2.4.

eligible custodian has the meaning given by rule 4.5.5.

exercise a function means exercise or perform the function.

Note **Function** is defined in this glossary.

firm (or **authorised firm**) means a *person* that has an authorisation.

firm-related distribution event, for a firm, means—

- (a) the appointment of a liquidator, receiver or administrator or of a trustee in bankruptcy; or
- (b) an event in any jurisdiction equivalent to an appointment mentioned in paragraph (a); or

Note **Jurisdiction** is defined in this glossary.

- (c) the withdrawal of the firm's *authorisation*; or
- (d) the imposition or variation of a condition, restriction or requirement on the firm's *authorisation* so that it is no longer permitted to hold client money.

Note **Client money** is defined in r 1.2.1.

function means any function, authority, duty or power.

holds money has the meaning given by rule 1.2.3.

independent entity has the meaning given by COLL, rule 1.2.9.

jurisdiction means any kind of legal jurisdiction, and includes, for example—

- (a) the State of Qatar; and

(b) a foreign country (whether or not an independent sovereign jurisdiction), or a state, province or other territory of such a foreign country; and

(c) the Qatar Financial Centre or a similar jurisdiction.

money has the meaning given by rule 1.2.2.

operator has the meaning given by COLL, rule 1.2.8.

PRIV means the *Private Placement Schemes Rules 2010*.

private placement scheme has the meaning given by PRIV, rule 1.1.4.

providing custody services means the regulated activity described in the *Financial Services Regulations*, schedule 3, part 2, paragraph 8.

Note **Regulated activity** is defined in this glossary.

QFC means the Qatar Financial Centre.

QFC scheme has the meaning given by COLL, rule 1.2.6.

regulated activity means an activity that is a regulated activity under the *Financial Services Regulations*.

scheme property has the meaning given by COLL, rule 1.2.3.

third party account, of a firm, means an account with an *eligible third party* in which client money is (or is to be) held by the firm.

Note **Client money** is defined in r 1.2.1.

third party-related distribution event, for an *eligible bank* or *eligible third party*, means—

(a) the appointment of a liquidator, receiver or administrator or of a trustee in bankruptcy; or

-
- (b) an event in any jurisdiction equivalent to an appointment mentioned in paragraph (a).

Note **Jurisdiction** is defined in this glossary.

writing means any form of writing, and includes, for example, any way of representing or reproducing words, numbers, symbols or anything else in legible form (for example, by printing or photocopying).

Explanatory note

This amendment includes a new glossary for ASET. The glossary includes, in particular, definitions only used in ASET or that have a different meaning in ASET. For example, the definition of *client money* in the glossary is different to the definition of the same term in the *Insurance Mediation Business Rules 2011*.

[1.27] Further amendments—terms no longer defined in INAP for these rules

item	provisions	<i>omit</i>	<i>substitute</i>
1	all	<i>Arranges the Provision of Custody Services</i>	arranges the provision of custody services
2	all	<i>Arranging the Provision of Custody Services</i>	arranging the provision of custody services
3	all	<i>authorisation</i>	authorisation
4	all	<i>Authorised Firm</i>	authorised firm
5	all	<i>Authorised Firm's</i>	authorised firm's
6	all	<i>Authorised Firms</i>	authorised firms

7	all	<i>authorised firm</i>	authorised firm
8	all	<i>authorised firm's</i>	authorised firm's
9	all	<i>Client Bank Account</i>	client bank account
10	all	<i>client bank account</i>	client bank account
11	all	<i>Client Bank Accounts</i>	client bank accounts
12	all	<i>Client Money</i>	client money
13	all	<i>client money</i>	client money
14	all	<i>Client Money Distribution Rules</i>	client money distribution rules
15	all	<i>Client Money Protection Rules</i>	client money protection rules
16	all	<i>Custody Investment</i>	custody investment
17	all	<i>custody investment</i>	custody investment
18	all	<i>Custody Investments</i>	custody investments
19	all	<i>custody investments</i>	custody investments
20	all	<i>Eligible Custodians</i>	eligible custodians
21	all	<i>Eligible Custodian</i>	eligible custodian
22	all	<i>Eligible Custodian's</i>	eligible custodian's
23	all	<i>eligible custodian</i>	eligible custodian
24	all	<i>Firm-Related Distribution Event</i>	firm-related distribution event
25	all	<i>jurisdiction</i>	jurisdiction

26	all	<i>QFC</i>	QFC
27	all	<i>Provides Custody Services</i>	provides custody services
28	all	<i>provides custody services</i>	provides custody services
29	all	<i>providing custody services</i>	providing custody services
30	all	<i>Third Party Account</i>	third party account
31	all	<i>Third Party Accounts</i>	third party accounts
32	all	<i>Third Party-Related Distribution Event</i>	third party-related distribution event

Explanatory note

This amendment removes unnecessary italics and capitals for terms that are now defined in the glossary to ASET.

Part 1.2 Collective Investment Schemes Rules 2010 (COLL)

[1.28] Glossary, definition of *PIIB*

substitute

PIIB means the *Investment and Banking Business Rules 2005*.

Explanatory note

This amendment is consequential on the renaming of *PIIB*.

Part 1.3 Conduct of Business Rulebook (COND)

[1.29] Rule 2.2.7

omit

Explanatory note

This amendment omits a rule about handling client money by approved representatives and non-QFC intermediaries. The rule is being replaced by a new provision being inserted into ASET by another amendment and a provision in the new *Insurance Mediation Business Rules 2011*.

Part 1.4 Controls Rulebook (CTRL)

[1.30] Rule 1.1.1 (3) and (4)

substitute

- (3) However, chapter 5 (Outsourcing) does not apply to an *outsourcing of functions* by an *authorised firm* if the *functions* are *outsourced* by the firm under *COLL*, *PRIV* or *CAPI*.

Explanatory note

This amendment is consequential on the omission of section 4.10 (Professional indemnity insurance for insurance mediation business) by another amendment.

[1.31] Rule 4.1.3, guidance

omit

Rulebooks

substitute

Rules

Explanatory note

This amendment is consequential on the making of new Rules and the meaning of existing Rules.

[1.32] Rule 4.5.1, guidance c

substitute

(c) *client money* or client assets;

Explanatory note

This amendment is consequential on the omission of the definition of *Customer Assets* from INAP.

[1.33] Section 4.10

omit

Explanatory note

This amendment omits provisions dealing with professional indemnity insurance for insurance mediation business. Replacement provisions are included in the new *Insurance Mediation Business Rules 2011*.

Part 1.5 General Rulebook (GENE)

[1.34] Section 2.5

omit

Explanatory note

This amendment omits provisions about restrictions on holding client money. The provisions are being replaced by new provisions being inserted into ASET by another amendment and provisions in the new *Insurance Mediation Business Rules 2011*.

[1.35] Section 9.5 heading

substitute

9.5 Audit and audit reports

Explanatory note

This amendment replaces the section heading with a heading that more accurately reflects the provisions of the section.

[1.36] Rule 9.5.1 (1)

omit everything before

must in addition to

substitute

9.5.1 Audit and audit reports—all firms

(1) *An authorised firm*

Explanatory note

This amendment inserts a new rule heading.

[1.37] Rule 9.5.1 (1) (B) (iii)

omit

chapter;

substitute

chapter; and

Explanatory note

This amendment is consequential on other amendments of the rule.

[1.38] Rule 9.5.1 (1) (C) (vi)

substitute

- (vi) for an *authorised firm* that is subject to a capital requirement under *PIIB* that is based on the firm's expenditure based capital minimum (within the meaning of *PIIB*)—in the auditor's opinion, the firm has calculated the capital requirement in accordance with *PIIB*; and
- (vii) for an *authorised firm* that is subject to a capital requirement under *IMEB* that is based on a net asset value (within the meaning of *IMEB*) of at least 50% of paid-up share capital—in the auditor's opinion, the firm has calculated the capital requirement in accordance with *IMEB*; and
- (viii) for an *authorised firm* that is subject to a capital requirement under *CAP* that is based on whichever is the higher of the firm's base capital requirement and risk based capital requirement (within the meaning of those requirements in *CAP*)—in the auditor's opinion, the firm has calculated the capital requirement in accordance with *CAP*; and
- (ix) for an *authorised firm* that is subject to a minimum capital requirement under *PINS* that is based on whichever is the higher of the firm's base capital requirement and risk based capital requirement (within the meaning of those requirements in *PINS*)—in the auditor's opinion, the firm has calculated the minimum capital requirement in accordance with *PINS*; and

Explanatory note

This amendment is consequential on the new *Insurance Mediation Business Rules 2011* and *Captive Insurance Business Rules 2011*. It includes separate provisions dealing with audit report of firms covered by *PIIB* and the new rules. The amendment also includes an equivalent provision for the audit report of firms covered by *PINS*.

[1.39] Rule 9.5.1 (1) (C) (viii)

omit

Rules;

substitute

Rules.

Explanatory note

This amendment is consequential on other amendments of the rule.

[1.40] Rule 9.5.1 (1) (C) (vii) and (viii)

renumber as rule 9.5.1 (1) (C) (x) and (xi)

Explanatory note

This amendment provides for the consequential renumbering of provisions.

[1.41] Rule 9.5.1 (1) (D), (E) and (F)

omit

Explanatory note

This amendment omits provisions about audit client money, insurance money and custody reports. The provisions are replaced by another amendment.

[1.42] New rules 9.5.2 and 9.5.3

insert

9.5.2 Additional audit reports—client money

- (1) This rule applies to an *authorised firm* for a financial year of the firm if the firm controls or holds *client money* at any time during the year.
- (2) The *authorised firm* must ensure that its auditor also produces a report for the financial year that states whether, in the auditor's opinion—

-
- (a) the firm maintained systems and controls throughout the year to enable it to comply with the provisions of the *Assets Rules 2005 (ASET)* or the *Insurance Mediation Business Rules 2011 (IMEB)* (or both) relating to *client money*; and
 - (b) the firm's controls ensured that *client money* controlled or held by it was identifiable and secure at all times during the year; and
 - (c) any of the requirements of ASET or IMEB relating to *client money* were not complied with by the firm during the year; and
 - (d) the firm controlled or held an appropriate amount of *client money* in accordance with ASET or IMEB (or both) at the date the firm's audited balance sheet was prepared; and
 - (e) there have been material discrepancies in the reconciliation of *client money* during the year.

9.5.3 Additional audit reports—custody

- (1) This rule applies to an *authorised firm* for a financial year of the firm if the firm *provided custody services* at any time during the year.
- (2) The *authorised firm* must ensure that its auditor also produces a report for the financial year that states whether, in the auditor's opinion—
 - (a) the firm maintained systems and controls throughout the year to enable it to comply with the provisions of the *Assets Rules 2005 (ASET)* relating to the *provision of custody services*; and
 - (b) the investments in relation to which the firm *provided custody services* during the year were registered, recorded and held in accordance with those provisions; and

-
- (c) any of the other requirements of those provisions were not complied with during the year; and
 - (d) there have been material discrepancies in the reconciliation of those investments during the year.

Explanatory note

This amendment remakes existing GENE, rule 9.5.1 (1) (D), (E) and (F) as separate rules with consequential amendments and minor changes to clarify their operation.

[1.43] Schedule 2, item 2.3

omit

and r 9.5.1

Explanatory note

This amendment omits an unnecessary reference. Audit reports are required to be filed with the Regulatory Authority by GENE, r 9.4.1.

[1.44] Schedule 2, after item 6.3

insert

7 CAPI

7.1 Prudential requirements—other provisions

- r 2.3.1 (Preparation of prudential returns)
- r 2.3.7 (Strategy and risk document—copy must be given to Regulatory Authority)

7.2 Financial condition reports

- r 7.2.4 (2) (Time for giving report)

7.3 Additional reports

- r 7.3.1 (Regulatory Authority may require additional reports)

8 IMEB

8.1 Prudential returns

- r 2.4.1 (Preparation of prudential returns)

Explanatory note

This amendment is consequential on the making of CAPI and IMEB.

[1.45] Schedule 3, item 2.1

substitute

2.1 Client money

- r 2.2.2 (2) and (3) (Client money exceptions—cheques etc forwarded to regulated financial institutions outside QFC)
- r 2.5.8
- s 2.13
- r 3.3.2 (b)
- r 7.1.1 (3) and (4) (Certain firms must not hold client money)

Explanatory note

This amendment is consequential on amendments of ASET.

[1.46] Schedule 3, item 2.5

omit

Explanatory note

This amendment is consequential on amendments of ASET.

[1.47] Schedule 3, item 6.1

omit

Explanatory note

This amendment is consequential on amendments of ASET.

[1.48] Schedule 3, items 6.2 to 6.4

renumber as items 6.1 to 6.3

Explanatory note

This amendment is consequential on the previous amendment.

[1.49] Schedule 3, after item 11.4

insert

12 CAPI**12.1 Measurement of value of assets and liabilities**

- r 6.1.1 (Classification of contracts)

13 IMEB**13.1 Client money**

- r 3.3.3 (2) (b) and (d) (Accounting for client money)

13.2 Third-party related distribution event

- r 4.3.2 (3) (Firm may make good deficit)

13.3 Restrictions on holding client money

- r 5.1.1 (3) (Certain firms must not hold client money)

13.4 Collateral

- r 6.1.2 (Records for relevant investments held as collateral)

13.5 Client mandates

- r 7.1.2 (3) (b) (Mandates—systems and controls)

13.6 Record keeping and giving information

- r 8.1.2 (Firm to make and keep records)
- r 8.1.4 (List of accounts and eligible intermediaries)]

13.7 Documents and assets

- r 8.1.7 (2) (c) and (3) (Duty to safeguard documents and assets)

Explanatory note

This amendment is consequential on the making of CAPI and IMEB.

Part 1.6 Individuals Rulebook

[1.50] Background, paragraph 3

omit

Rulebooks

substitute

Rules

Explanatory note

This amendment is consequential on the making of new Rules and the meaning of existing Rules.

[1.51] rule 2.1.10

substitute

2.1.10 Customer facing function

Customer facing function is the function of carrying on 1 or more of the following *regulated activities* with or for a *customer* on behalf of an *authorised firm* in or from the *QFC*—

- (a) *dealing in investments*;
- (b) *managing investments*;
- (c) *advising on investments*;
- (d) *arranging deals in investments*;
- (e) *insurance mediation*.

Explanatory note

This amendment makes the carrying on of the regulated activity of insurance mediation a customer facing function.

Part 1.7 **Interim Prudential—Investment, Insurance Mediation and Banking Business Rulebook (PIIB)**

[1.52] Background to this Rulebook

omit

Explanatory note

This amendment omits background material that is outdated, no longer needed or replaced by explanatory material inserted by other amendments.

[1.53] Chapter 1 heading

substitute

Chapter 1 **General provisions**

Explanatory note

This amendment substitutes a chapter heading that more accurately reflects the contents of the chapter.

[1.54] Sections 1.1 and 1.2

substitute

Part 1.1 **Introductory**

1.1.1 Name of rules

These rules are the *Investment and Banking Business Rules 2005* (or PIIB).

1.1.2 Glossary

The glossary at the end of these rules is part of these rules.

-
- Note 1* There are also relevant definitions in the *Interpretation and Application Rulebook (INAP)* glossary. To assist the reader, the application of a definition in that glossary would usually be indicated by the word(s) being in italics (other than bold italics).
- Note 2* By contrast, the application of a definition in the glossary in these rules is not indicated by the word(s) being in italics.
- Note 3* For the application of definitions, see INAP, r 2.1.8 (Application of definitions).
- Note 4* A note in or to these rules is explanatory and is not part of the rules (see INAP, r 2.1.6 (1) and r 2.1.7).
- Note 5* However, examples and guidance are part of these rules (see INAP, r 2.1.4 (1) (b) and (2)).
- Note 6* An example is not exhaustive, and may extend, but does not limit the meaning of these rules or the particular provision of these rules to which it relates (see INAP, r 2.1.5).
- Note 7* For the effect of guidance, see the *Financial Services Regulations*, art 17 (4).

Part 1.2 General

Division 1.2.A Application

1.2.1 Application of PIIB

These rules apply to every *authorised firm* other than an *authorised firm* with an *authorisation*—

- (a) that permits it to conduct *insurance business*; or
- (b) that permits it to conduct *insurance mediation* or *captive insurance management* (or both) and no other business that is or includes a *regulated activity*.

Note 1 **Insurance business** is defined in *INAP* as the business of conducting the regulated activity of effecting contracts of insurance or carrying out contracts of insurance (or both). An authorised firm that conducts insurance business in or from the QFC is a **QFC insurer** (or **insurer**) (see *INAP*, glossary).

Note 2 The prudential requirements of *PINS*, and not those of these rules, apply to a QFC insurer.

Note 3 **Insurance mediation** and **captive insurance management** are defined in *IMEB*, rule 1.2.2 and r 1.2.5 respectively.

Note 4 The prudential requirements of *IMEB*, and not those of these rules, apply to an authorised firm with an authorisation that permits it to conduct insurance mediation or captive insurance management (or both) and no other business that is or includes a regulated activity. The prudential requirements of these rules, and not those of *IMEB*, apply to an authorised firm with an authorisation that permits it to conduct insurance mediation or captive insurance management (or both) and regulated activities apart from those involved in insurance business.

1.2.2 How PIIB applies to firms

These rules apply to an authorised firm in accordance with the category (its **PIIB category**) into which the firm falls under part 1.3.

Note 1 The application of these rules to authorised firms depends on a categorisation system under which every authorised firm to which these rules apply is in at least 1 of the 5 PIIB categories defined in pt 1.3. The PIIB categories are set out diagrammatically in table 1.3.6.

Note 2 The PIIB category into which an authorised firm falls is decided by reference to the regulated activities that it is authorised to conduct (except for PIIB category 5 that only includes certain Islamic financial institutions) as follows:

- PIIB category 1—deposit taking or providing credit facilities
- PIIB category 2—dealing in investments (as principal)
- PIIB category 3—dealing in investments (as agent), managing investments, operating collective investment schemes or providing custody services

-
- PIIB category 4—*arranging deals in investments, arranging credit facilities, arranging the provision of custody services, advising on investments or operating collective investment schemes* (if restricted to *providing scheme administration*)
 - PIIB category 5—*Islamic financial institutions* that manage a *profit sharing investment account*.

Division 1.2.B Financial resources generally

1.2.3 Financial resources—general requirement

- (1) An *authorised firm* must at all times have financial resources of the kinds and amounts required by, and calculated in accordance with, these rules.
- (2) An *authorised firm* must also at all times have additional financial resources that are adequate for the nature, size and complexity of its business to ensure that there is no significant risk that its liabilities cannot be met as they fall due.

Guidance

For rule 1.2.3 (2), the *authorised firm's governing body* should assess whether the minimum financial resources required by these rules are adequate for the firm's business. Additional financial resources should be maintained by the firm if its *governing body* considers that the required minimum financial resources do not adequately reflect the risks of the firm's business.

Explanatory note

This amendment renames PIIB consistently with more recent rules and to reflect its reduced scope. The amendment also inserts a glossary provision with notes. The glossary will facilitate the use of definitions that only apply to these rules and enable definition usage to be rationalised over time.

The amendment remakes existing rule 1.1.1 (1) as new rule 1.2.1. The new rule excludes from the application of the rules authorised firms that only have an authorisation to conduct insurance mediation. These firms are dealt with in the new *Insurance Mediation Business Rules*

2011 (IMEB). The new rule includes notes explaining the respective application of PIIB, PINS and IMEB.

The amendment also remakes existing rule 1.1.1 (2) as new rule 1.2.2 and includes as notes material presently contained in the background to the rules.

In addition, the amendment remakes existing rule 1.2.1 as new rule 1.2.3 with minor consequential and drafting changes.

[1.55] Section 1.3 (except rule 1.3.6 table other than guidance)

substitute

Part 1.3 PIIB categories

1.3.1 PIIB category 1

- (1) An *authorised firm* is in **PIIB category 1** if—
 - (a) the firm's *authorisation* authorises it to conduct either or both of the following *regulated activities*:
 - (i) *deposit taking*;
 - (ii) *providing credit facilities*;
 - (b) the firm is not in PIIB category 5.
- (2) Subrule (1) applies to the *authorised firm* whether or not it is also *authorised* to conduct other *regulated activities*.
- (3) Subrule (1) also applies to the *authorised firm*—
 - (a) whether or not it conducts some, but not its entire, business operations in accordance with Shari'a; or
 - (b) if it conducts its entire business operations in accordance with Shari'a but does not manage a *profit sharing investment account*.

Note An *authorised firm* whose entire business operations are conducted in accordance with Shari'a is an *Islamic financial institution* (see *INAP*,

glossary, def **Islamic financial institution**). An *Islamic financial institution* is in PIIB category 5 if it manages a *profit sharing investment account* (see r 1.3.5).

1.3.2 PIIB category 2

- (1) An *authorised firm* is in **PIIB category 2** if—
 - (a) the firm's *authorisation* authorises it to conduct the *regulated activity of dealing in investments* as principal; and
 - (b) the firm is not in PIIB category 1 or PIIB category 5.
- (2) Subrule (1) applies to the *authorised firm* whether or not it is also *authorised* to conduct other *regulated activities*, except *deposit taking* or *providing credit facilities* (or both).
- (3) Subrule (1) also applies to the *authorised firm*—
 - (a) whether or not it conducts some, but not its entire, business operations in accordance with Shari'a; or
 - (b) if it conducts its entire business operations in accordance with Shari'a, but does not manage a *profit sharing investment account*.

Note An *authorised firm* whose entire business operations are conducted in accordance with Shari'a is an *Islamic financial institution* (see *INAP*, glossary, def **Islamic financial institution**). An *Islamic financial institution* is in PIIB category 5 if it manages a *profit sharing investment account* (see r 1.3.5).

1.3.3 PIIB category 3

- (1) An *authorised firm* is in **PIIB category 3** if—
 - (a) the firm's *authorisation* authorises it to conduct all or any of the following *regulated activities*:
 - (i) *dealing in investments* as agent;

-
- (ii) *managing investments*;
 - (iii) *operating collective investments schemes*;
 - (iv) *providing custody services*; and
- (b) the firm is not in PIIB category 1, PIIB category 2 or PIIB category 5.
- (2) Subsection (1) applies to the *authorised firm* whether or not it is also *authorised* to conduct other *regulated activities*, except all or any of the following:
- (a) *deposit taking*;
 - (b) *providing credit facilities*;
 - (c) *dealing in investments* as principal.
- (3) Subrule (1) also applies to the *authorised firm*—
- (a) whether or not it conducts some, but not its entire, business operations in accordance with Shari’a; or
 - (b) if it conducts its entire business operations in accordance with Shari’a, but does not manage a *profit sharing investment account*.

Note An *authorised firm* whose entire business operations are conducted in accordance with Shari’a is an *Islamic financial institution* (see *INAP*, glossary, def ***Islamic financial institution***). An *Islamic financial institution* is in PIIB category 5 if it manages a *profit sharing investment account* (see r 1.3.5).

1.3.4 PIIB category 4

- (1) An *authorised firm* is in ***PIIB category 4*** if—
- (a) the firm’s *authorisation* authorises it to conduct all or any of the following *regulated activities*:
 - (i) *arranging deals in investments*;

-
- (ii) *arranging credit facilities*;
 - (iii) *arranging the provision of custody services*;
 - (iv) *advising on investments*;
 - (v) *operating collective investment schemes* (if restricted to *providing scheme administration*); and
- (b) the firm is not in PIIB category 1, PIIB category 2, PIIB category 3 or PIIB category 5.
- (2) To remove any doubt, if the *authorised firm's authorisation* authorises it to conduct any other *regulated activities*, the firm is not in **PIIB category 4**.
- (3) Subrule (1) also applies to the *authorised firm*—
- (a) whether or not it conducts some, but not its entire, business operations in accordance with Shari'a; or
 - (b) if it conducts its entire business operations in accordance with Shari'a but does not manage a *profit sharing investment account*.

Note An *authorised firm* whose entire business operations are conducted in accordance with Shari'a is an *Islamic financial institution* (see *INAP*, glossary, def **Islamic financial institution**). An *Islamic financial institution* is in PIIB category 5 if it manages a *profit sharing investment account* (see r 1.3.5).

1.3.5 PIIB category 5

An *authorised firm* is in **PIIB category 5** if it is an *Islamic financial institution* that manages a *profit sharing investment account*.

1.3.6 PIIB categorisation table

- (1) For PIIB categories 1 to 4, the boxes in table 1.3.6 (the PIIB categorisation table) that are in bold indicate the *regulated activities* that decide whether an *authorised firm* falls into the relevant PIIB category.

Example

An *authorised firm* that has an *authorisation* for *deposit taking* or *providing credit facilities* falls into PIIB category 1 (unless it falls into PIIB category 5), whether or not it also has an *authorisation* for another *regulated activity* eg *dealing in investments* as principal.

- (2) However, if the *authorised firm* meets the criteria in rule 1.3.5 for PIIB category 5, the firm falls into that category and not any of PIIB categories 1 to 4.
- (3) For PIIB categories 1 to 4, the boxes in table 1.3.6 that are not in bold indicate the *regulated activities* that the *authorised firm* may also be authorised to conduct without affecting its PIIB category.

Explanatory note

This amendment makes consequential changes, corrects typographical and structural errors, remakes guidance as substantive provisions, removes unnecessary capitals and italics and generally clarifies the operation and interaction of the provisions of the part.

[1.56] Rule 1.3.6, table heading

substitute

Table 1.3.6 PIIB categorisation table

Explanatory note

This amendment is consequential on other amendments.

[1.57] Section 1.6 guidance

omit

the *PIIB Rulebook*

substitute

PIIB

Explanatory note

This amendment is consequential on the renaming of PIIB.

[1.58] Chapter 2 guidance, paragraph 6 (2nd sentence)

substitute

The *authorised firm* may need additional financial resources (see r 1.2.3 (Financial resources—general requirement)).

Explanatory note

This amendment is consequential on the remaking, by another amendment, of existing rule 1.2.1 as new rule 1.2.3.

[1.59] Section 2.1

substitute

Part 2.1 Application—capital

2.1.1 Application—ch 2

- (1) Sections 2.2 to 2.8 apply to every *authorised firm* to which these rules apply.
- (2) Section 2.9 applies to an *authorised firm* that undertakes *Islamic financial business*.
- (3) Section 2.10 applies to an *authorised firm* in PIIB category 1, PIIB category 2, PIIB category 3 or PIIB category 4.

Explanatory note

This amendment revises rule 2.1.1 to clarify its operation consequentially on other amendments of PIIB.

[1.60] Rule 2.3.1 (B)

omit

as set out in section 2.5

Explanatory note

This amendment omits unnecessary words. *Expenditure based capital minimum* is a term defined in rule 2.5.1.

[1.61] Rule 2.5.1

substitute

2.5.1 Expenditure based capital minimum—PIIB category 2, 3 or 4 firms

- (1) The *expenditure based capital minimum* of an *authorised firm* in PIIB category 2, PIIB category 3 or PIIB category 4 is the required fraction of its *annual audited expenditure*.
- (2) In this rule:
required fraction means—
 - (a) if the *authorised firm* holds *client money*—18/52; or
 - (b) if the *authorised firm* does not hold *client money* and is in PIIB category 2 or PIIB category 3—13/52; or
 - (c) if the *authorised firm* does not hold *client money* and is in PIIB category 4—6/52.

Explanatory note

This amendment is consequential on the narrower application of *PIIB* because of the new *Insurance Mediation Business Rules 2011*.

[1.62] Rule 2.5.2 (1) (F)

substitute

- (f) interest paid to *clients* on *client money*;

Explanatory note

This amendment omits a reference to ‘insurance money’ consequentially on the new *Insurance Mediation Business Rules 2011*.

[1.63] Rule 2.7.9

omit

The *Rules* in this rulebook

substitute

These rules

Explanatory note

This amendment is consequential on the renaming of PIIB.

[1.64] Rule 2.10.1 (1) (B) (ii)

omit

the *Rules* in this rulebook;

substitute

these rules;

Explanatory note

This amendment is consequential on the renaming of PIIB.

[1.65] Rule 3.1.2 guidance 2 and 3, section 3.3 guidance, rule 5.9.1 guidance 2 and rule 7.3.3 (3)

omit

Rulebook

Explanatory note

This amendment omits a redundant word.

[1.66] Chapter 8, guidance

omit

Rulebooks

substitute

Rules

Explanatory note

This amendment is consequential on the making of new Rules and the renaming of existing Rules.

[1.67] New glossary

insert

Glossary

(r 1.1.2)

expenditure based capital minimum has the meaning given by rule 2.5.1.

PIIB means these rules.

PIIB category has the meaning given by rule 1.2.2.

PIIB category 1 has the meaning given by rule 1.3.1.

PIIB category 2 has the meaning given by rule 1.3.2.

PIIB category 3 has the meaning given by rule 1.3.3.

PIIB category 4 has the meaning given by rule 1.3.4.

PIIB category 5 has the meaning given by rule 1.3.5.

Explanatory note

This amendment inserts a new glossary for PIIB. The glossary includes, in particular, definitions only used in PIIB or that have a different meaning in PIIB.

[1.68] Further amendments—terms no longer defined in INAP for these rules

item	provisions	<i>omit</i>	<i>substitute</i>
1	all	<i>Expenditure Based Capital Minimum</i>	expenditure based capital minimum
2	all	<i>PIIB Categories</i>	PIIB categories
3	all	<i>PIIB Category</i>	PIIB category
4	all	<i>PIIB category</i>	PIIB category

Explanatory note

This amendment removes unnecessary italics and capitals for terms that are now defined in PIIB.

Part 1.8 Interpretation and Application Rulebook (INAP)

[1.69] Glossary, definition of *approved asset*

omit

Explanatory note

This amendment omits a definition that is no longer needed in INAP because the provisions of ASET in which it is used are being omitted by another amendment.

[1.70] Glossary, definition of *ASET*

substitute

ASET means the *Assets Rules 2005*.

Explanatory note

This amendment amends the definition consequentially on the renaming of the rules by another amendment.

[1.71] Glossary, new definition of *CAPI*

insert

CAPI means the *Captive Insurance Business Rules 2011*.

Explanatory note

This amendment inserts a new definition consequentially on the new *Captive Insurance Business Rules 2011*.

[1.72] Glossary, new definitions of *captive insurance business* and *captive insurance management*

insert

captive insurance business has the meaning given by *CAPI*, rule 1.2.2.

captive insurance management has the meaning given by *IMEB*, rule 1.2.5.

Explanatory note

This amendment inserts new definitions consequentially on the new *Captive Insurance Business Rules 2011* and *Insurance Mediation Business Rules 2011*.

[1.73] Glossary, definition of *Client Bank Account*

omit

Explanatory note

This amendment omits a definition that is no longer needed in INAP. The definition is replaced by definitions in ASET and the new *Insurance Mediation Business Rules 2011*.

[1.74] Glossary, definition of *Client Money*

substitute

client money—

-
- (a) in relation to the conduct of *insurance mediation* in or from the *QFC*—has the meaning given by *IMEB*, rule 1.2.9; and
 - (b) in relation to the conduct of other *investment business* in or from the *QFC*—has the meaning given by *ASET*, rule 1.2.1.

Explanatory note

This amendment revises the definition of *client money* consequentially on amendments of *ASET* and the new *Insurance Mediation Business Rules 2011*.

[1.75] Glossary, definitions of *Client Money Distribution Rules* and *Client Money Protection Rules*

omit

Explanatory note

This amendment omits definitions that are no longer needed in *INAP*. The definitions are replaced by definitions in *ASET* and the new *Insurance Mediation Business Rules 2011*.

[1.76] Glossary, definition of *Custody Investments*

omit

Explanatory note

This amendment omits a definition that is no longer needed in *INAP*. It is replaced by a definition in *ASET*.

[1.77] Glossary, definition of *Customer Assets*

omit

Explanatory note

This amendment omits a definition that is no longer needed in *INAP* because of other amendments.

[1.78] Glossary, definition of *eligible custodian*

omit

Explanatory note

This amendment omits a definition that is no longer needed in INAP. ASET already contains a definition of the defined term.

[1.79] Glossary, definition of *Expenditure Based Capital Minimum*

omit

Explanatory note

This amendment omits a definition that is no longer needed in INAP. The defined term is only used in PIIB and is defined in those rules.

[1.80] Glossary, definition of *Firm-Related Distribution Event*

omit

Explanatory note

This amendment omits a definition that is no longer needed in INAP. The definition is replaced by definitions in ASET and the new *Insurance Mediation Business Rules 2011*.

[1.81] Glossary, definitions of *General Insurance Business and General Insurance Contract*

substitute

general insurance business means *insurance business* in relation to *general insurance contracts*.

general insurance contract means a contract of insurance that is a General Insurance Contract under the *Financial Services Regulations*, schedule 3, part 3, paragraph 10.3.

Explanatory note

This amendment brings the definitions into line with definitions of the defined terms being inserted into PINS by another amendment.

[1.82] Glossary, new definition of *IMEB*

insert

IMEB means the *Insurance Mediation Business Rules 2011*.

Explanatory note

This amendment inserts a new definition for the *Insurance Mediation Business Rules 2011*.

[1.83] Glossary, definition of *insurance bank account*

omit

Explanatory note

This amendment omits a definition that is no longer needed in INAP because of other amendments.

[1.84] Glossary, definitions of *insurance broker* and *Insurance Broking Business*

omit

Explanatory note

This amendment omits definitions of terms that are no longer used.

[1.85] Glossary, definition of *Insurance Business*

substitute

insurance business means the business of conducting either or both of the following *regulated activities*:

- (a) *effecting contracts of insurance*;
- (b) *carrying out contracts of insurance*.

Explanatory note

This amendment brings the definition into line with the definition of the term in the new *Insurance Mediation Business Rules 2011*.

[1.86] Glossary, definition of *insurance management* and *Insurance Manager*

omit

Explanatory note

This amendment omits definitions that are no longer needed in INAP. The defined terms are only used in the new *Insurance Mediation Business Rules 2011* and are defined in those rules.

[1.87] Glossary, definition of *Insurance Mediation Business*

substitute

insurance mediation has the meaning given by *IMEB*, rule 1.2.2.

Explanatory note

This amendment is consequential on the relocation of the definition of the new *Insurance Mediation Business Rules 2011*.

[1.88] Glossary, definition of *insurance money*

omit

Explanatory note

This amendment omits a definition that is no longer needed in INAP because of other amendments.

[1.89] Glossary, definition of *Insurer*

substitute

insurer (or *QFC insurer*) means an *authorised firm* with an *authorisation* to conduct *insurance business*.

Explanatory note

This amendment brings the definition into line with the definition of the defined term in the new *Insurance Mediation Business Rules 2011* and the definition of the defined term being inserted into PINS by another amendment.

[1.90] Glossary, definitions of *Long Term Insurance Business* and *Long Term Insurance Contract*

substitute

long term insurance business means *insurance business* in relation to *long term insurance contracts*.

long term insurance contract means a contract of insurance that is a Long Term Insurance Contract under the *Financial Services Regulations*, schedule 3, part 3, paragraph 10.4.

Explanatory note

This amendment brings the definitions into line with definitions of the defined terms being inserted into PINS by another amendment.

[1.91] Glossary, definition of *Owner's Equity*

omit

Explanatory note

This amendment omits a definition that is no longer needed. The term 'owners' equity' is only used in PINS. A definition of the term is inserted into PINS by another amendment.

[1.92] Glossary, definition of *PIIB*

substitute

PIIB means the *Investment and Banking Business Rules 2005*.

Explanatory note

This amendment is consequential on the renaming of PIIB by another amendment.

[1.93] Glossary, definitions *PIIB Category, PIIB Category 1, PIIB Category 2, PIIB Category 3, PIIB Category 4 and PIIB Category 5*

omit

Explanatory note

This amendment omits definitions that are no longer needed in INAP. The defined terms are only used in PIIB and are defined in those rules.

[1.94] Glossary, definition of *PINS*

substitute

PINS means the *Insurance Business Rules 2006*.

Explanatory note

This amendment is consequential on the renaming of PINS.

[1.95] Glossary, definition of *Profit Equalisation Reserve*

omit

Explanatory note

This amendment omits a definition that is no longer needed in INAP. The definition is relocated to PINS by another amendment.

[1.96] Glossary, new definition of *QFC insurer (or insurer)*

insert

QFC insurer (or *insurer*) means an *authorised firm* with an *authorisation* to conduct *insurance business*.

Explanatory note

This amendment inserts a definition equivalent to a definition in the new *Insurance Mediation Business Rules 2011* and a definition being inserted into PINS by another amendment.

[1.97] Glossary, definition of *Regulated Activities*

substitute

regulated activity means an activity that is a regulated activity under the *Financial Services Regulations*.

Explanatory note

This amendment is consequential on the declaration of new regulated activities by Rules made under provisions of the *Financial Services Regulations* amended in 2010.

[1.98] Glossary, definitions of *Takaful Business, Takaful Entity and Takaful Fund*

omit

Explanatory note

This amendment omits definitions that are no longer needed in INAP. The definitions are relocated to PINS by another amendment.

[1.99] Glossary, definition of *Third Party Account*

omit

Explanatory note

This amendment omits a definition that is no longer needed in INAP. The definition is relocated to ASET by another amendment.

[1.100] Glossary, definition of *third party-related distribution event*

omit

Explanatory note

This amendment omits a definition that is no longer needed in ASET. The definition is replaced by definitions in ASET and the new *Insurance Mediation Business Rules 2011*.

Part 1.9 Prudential—Insurance Rulebook

[1.101] Background

omit

Explanatory note

This amendment omits background material that is outdated, no longer needed or replaced by explanatory material inserted by other amendments.

[1.102] Chapter 1 heading

substitute

Chapter 1 General provisions

Explanatory note

This amendment substitutes a chapter heading that more accurately reflects the contents of the chapter.

[1.103] Sections 1.1 and 1.2

substitute

Part 1.1 Introductory

1.1.1 Name of rules

These rules are the *Insurance Business Rules 2006* (or PINS).

1.1.2 Glossary

The glossary at the end of these rules is part of these rules.

Note 1 There are also relevant definitions in the *Interpretation and Application Rulebook (INAP)* glossary. To assist the reader, the application of a definition in that glossary would usually be indicated by the word(s) being in italics (other than bold italics).

Note 2 By contrast, the application of a definition in the glossary in these rules is not indicated by the word(s) being in italics.

Note 3 For the application of definitions, see INAP, r 2.1.8 (Application of definitions).

Note 4 A note in or to these rules is explanatory and is not part of the rules (see INAP, r 2.1.6 (1) and r 2.1.7).

Note 5 However, examples and guidance are part of these rules (see INAP, r 2.1.4 (1) (b) and (2)).

Note 6 An example is not exhaustive, and may extend, but does not limit the meaning of these rules or the particular provision of these rules to which it relates (see INAP, r 2.1.5).

Note 7 For the effect of guidance, see the *Financial Services Regulations*, art 17 (4).

Part 1.2 General

Division 1.2.A Application

1.2.1 Application of PINS

These rules apply to every QFC insurer (or insurer) except where otherwise provided.

Note 1 **QFC insurer** (or **insurer**) is defined in r 1.2.3.

Note 2 The prudential requirements of *IMEB*, and not those of these rules, apply to an *authorised firm* with an *authorisation* that permits it to conduct *insurance mediation* or *captive insurance management* (or both) and no other business that is or includes a regulated activity.

Note 3 The prudential requirements of *PIIB*, and not those of these rules, apply to an *authorised firm* that is not a QFC insurer, but has an *authorisation* that permits it to conduct *insurance mediation* or *captive insurance management* (or both) and business that is or includes a regulated activity.

Note 4 The prudential requirements of *CAPI*, and not those of these rules, apply to an *authorised firm* with an *authorisation* that permits it to conduct only *captive insurance business* and no other business that is or includes a regulated activity.

Note 5 However, the prudential requirements of these rules apply to a QFC insurer with an *authorisation* that also permits it to conduct *insurance mediation*, *captive insurance management* or *captive insurance business*.

Division 1.2.B Financial resources generally

1.2.2 Financial resources—general requirement

- (1) A QFC insurer (other than a QFC captive insurer) must at all times have financial resources of the kinds and amounts required by, and calculated in accordance with, these rules.

Note **QFC insurer** (or **insurer**) is defined in r 1.2.3.

- (2) An insurer must also at all times have additional financial resources that are adequate for the nature, size and complexity of its business to ensure that there is no significant risk that its liabilities cannot be met as they fall due.

Guidance

For rule 1.2.2 (2), the insurer's *governing body* should assess whether the minimum financial resources required by these rules are adequate for the firm's business. Additional financial resources should be maintained by the insurer if its *governing body* considers that the required minimum financial resources do not adequately reflect the risks of the firm's business.

Division 1.2.C Key terms and basic concepts

1.2.3 Who is a QFC insurer (or insurer)?

A **QFC insurer** (or **insurer**) is an *authorised firm* with an *authorisation* to conduct insurance business.

1.2.4 What is insurance business?

Insurance business is the business of conducting either or both of the following regulated activities:

- (a) effecting contracts of insurance;
- (b) carrying out contracts of insurance.

Note **Regulated activity** and the regulated activities mentioned in this definition are defined in the glossary.

1.2.5 Types of insurance business

- (1) *General insurance business* is insurance business in relation to general insurance contracts.
- (2) *Long term insurance business* is insurance business in relation to long term insurance contracts.

1.2.6 Types of insurance contracts

- (1) A *general insurance contract* is a contract of insurance that is a General Insurance Contract under the *Financial Services Regulations*, schedule 3, part 3, paragraph 10.3.
- (2) A *long term insurance contract* is a contract of insurance that is a Long Term Insurance Contract under the *Financial Services Regulations*, schedule 3, part 3, paragraph 10.4.

1.2.7 Takaful insurance concepts

- (1) A *takaful entity* is—
 - (a) an *Islamic financial institution* that conducts takaful business; or
 - (b) a QFC insurer operating an *Islamic window*.

Note *QFC insurer* is defined in r 1.2.3.

- (2) *Takaful business* is the part of insurance business conducted by a takaful entity that is *Islamic financial business*.

Note *Insurance business* is defined in r 1.2.4.

- (3) A *takaful fund* is a fund established and maintained by a takaful entity under rule 6.2.1 for its takaful business.

Explanatory note

This amendment renames PINS consistently with more recent rules and inserts a glossary provision with notes. The glossary will facilitate the use of definitions that only apply to these rules and enable definition usage to be rationalised over time.

The amendment remakes existing rule 1.1.1 as new rule 1.2.1. The new rule includes notes explaining the respective application of PINS and IMEB.

The amendment remakes existing rule 1.2.1 as new rule 1.2.2 with minor consequential and drafting changes.

The amendment also remakes existing rule 1.1.2 as new rule 1.2.4 and existing rule 1.1.3 as new rule 1.2.7 (1). In addition, the amendment includes additional definitions (taken from INAP) to make PINS more self-contained.

[1.104] Rule 1.5.4, guidance 1 e

omit

business

Explanatory note

This amendment omits a redundant word.

[1.105] Rule 3.9.2 (c)

omit

effecting contracts of insurance

substitute

effecting contracts of insurance

Explanatory note

This amendment is consequential on the new definition of *effecting a contract of insurance* that is inserted by another amendment.

[1.106] Rule 4.4.2 (1) (B) (ii)

omit

the *Rules* in this rulebook;

substitute

these rules;

Explanatory note

This amendment is consequential on the renaming of PINS.

[1.107] Rule 5.3.2 (1)

omit

General Insurance Contracts

substitute

general insurance contracts

Explanatory note

This amendment is consequential on the new definition of *general insurance contract* that is inserted by another amendment.

[1.108] Rule 6.1.2 (1)

omit

(1)

Explanatory note

This amendment is consequential on the omission of rule 6.1.2 (2) by another amendment.

[1.109] Rule 6.1.2 (2)

omit

Explanatory note

This amendment omits a redundant provision. *Takaful business* is now defined in new rule 1.2.7 (2) that is inserted by another amendment.

[1.110] Rule 6.1.2 guidance 2

omit

Rulebook

Explanatory note

This amendment omits a redundant word.

[1.111] Rule 6.1.2 guidance 2 c

omit

Regulated Activities

substitute

regulated activities

Explanatory note

This amendment omits unnecessary capitals and italics.

[1.112] Rule 6.2.1

omit

Takaful Funds

substitute

funds (*takaful funds*)

Explanatory note

This amendment is consequential on the new definition of *takaful fund* that is inserted by another amendment.

[1.113] Rule 6.3.1

omit

established and maintained under Rule 6.2.1

Explanatory note

This amendment omits words that are redundant because of the new definition of *takaful fund* that is inserted by another amendment.

[1.114] Rule 9.3.2 (A)

omit

Insurers

substitute

insurer's

Explanatory note

This amendment corrects a typographical error and removes unnecessary italics.

[1.115] Rule 9.3.2 (B)

omit

the *Rules* contained in this rulebook.

substitute

these rules.

Explanatory note

This amendment is consequential on the renaming of PINS.

[1.116] Rule 9.4.2

omit

General

substitute

general

[1.120] Rule 11.1.1 (other than guidance)

substitute

11.1.1 Application—ch 11

This chapter applies to every QFC insurer (other than a QFC captive insurer).

Note *QFC insurer* is defined in r 1.2.3.

Explanatory note

This amendment is consequential on the making of CAPI.

[1.121] Rule 11.1.1, guidance 3 and 4

substitute

11.1.2 Purpose—ch 11

The purpose of this chapter is to make rules under the *Financial Services Regulations*, article 103 modifying those regulations, part 16 (Control of Business Transfers) in relation to the requirements for a *relevant scheme*.

11.1.3 Special meaning of *insurer* in ch 11

(1) A reference in this chapter to an *insurer* includes, but is not limited to, a QFC insurer.

(2) In this rule:

QFC insurer means an *authorised firm* with an *authorisation* to conduct insurance business.

Note *Insurance business* is defined in r 1.2.4.

11.1.4 Special meaning of *insurance business* in ch 11

A reference in this chapter to *insurance business* includes, but is not limited to, insurance business as defined in rule 1.2.4.

Explanatory note

This amendment remakes guidance as substantive provisions and is partly consequential on other amendments.

[1.122] Rule 11.3.1 (2)

omit

Insurers

substitute

QFC insurers

Explanatory note

This amendment is consequential on other amendments of chapter 11.

[1.123] Other mention of *Insurer* in ch 11

omit

Insurer

substitute

QFC insurer

in the following provisions

- rule 11.1.1, guidance 2
- rule 11.3.1 (1)
- rule 11.3.2
- rule 11.3.3

Explanatory note

This amendment is consequential on other amendments of chapter 11.

[1.124] Rule 12.1.4

omit

effecting *Contracts of Insurance*, or has ceased to effect *Contracts of Insurance*,

substitute

effecting contracts of insurance, or has ceased to effect contracts of insurance,

Explanatory note

This amendment is consequential on the new definition of *effecting a contract of insurance* that is inserted by another amendment.

[1.125] Rule 12.2.2 (A)

omit

effecting *Contracts of Insurance*;

substitute

effecting contracts of insurance;

Explanatory note

This amendment is consequential on the new definition of *effecting a contract of insurance* that is inserted by another amendment.

[1.126] Appendix 1, guidance 22

omit

Insurance Contracts.

substitute

insurance contracts.

Explanatory note

This amendment omits unnecessary capitals and italics.

[1.127] Appendix 3, rule A3.7.9

omit

General Insurance Contract

substitute

general insurance contract

Explanatory note

This amendment omits unnecessary capitals and italics.

[1.128] New glossary

insert

Glossary

(r 1.1.2)

carrying out a contract of insurance means the regulated activity described in the *Financial Services Regulations*, schedule 3, part 2, paragraph 3.

Note ***Regulated activity*** is defined in this glossary.

effecting a contract of insurance means the regulated activity described in the *Financial Services Regulations*, schedule 3, part 2, paragraph 2.

general insurance business has the meaning given by rule 1.2.5 (1).

general insurance contract has the meaning given by rule 1.2.6 (1).

general insurer means an insurer that conducts general insurance business.

insurance business has the meaning given by rule 1.2.4.

Note **Insurance business** has a special meaning in ch 11 (see r 11.1.4).

insurer (or **QFC insurer**) has the meaning given by rule 1.2.3.

Note **Insurer** has a special meaning in ch 11 (see r 11.1.3).

long term insurance business has the meaning given by rule 1.2.5 (2).

long term insurance contract has the meaning given by rule 1.2.6 (2).

owners' equity, for a takaful entity, means the amount of the entity's assets, less its liabilities, that are not attributed to a takaful fund of the entity.

Note **Takaful entity** and **takaful fund** are defined in r 1.2.7.

profit equalisation reserve, for a takaful entity, means the amount appropriated out of the Mudaraba income, before allocating the Mudarib's share, to maintain a certain level of investment returns for investment account holders and to increase owners' equity.

QFC insurer (or **insurer**) has the meaning given by rule 1.2.3.

Note **Insurer** has a special meaning in ch 11 (see r 11.1.3).

regulated activity means an activity that is a regulated activity under the *Financial Services Regulations*.

takaful business has the meaning given by rule 1.2.7 (2).

takaful entity has the meaning given by rule 1.2.7 (1).

takaful fund has the meaning given by rule 1.2.7 (3).

Explanatory note

This amendment includes a new glossary for PINS. The glossary includes, in particular, definitions only used in PINS or that have a different meaning in PINS.

[1.129] Further amendments—terms no longer defined in INAP for these rules

item	provisions	<i>omit</i>	<i>substitute</i>
1	all	<i>General Insurance Business</i>	general insurance business
2	all	<i>Insurance Business</i>	insurance business
3	all	<i>insurance business (other than as part of captive insurance business)</i>	insurance business
4	all	<i>Insurer</i>	insurer
5	all	<i>insurer (other than as part of captive insurer)</i>	insurer
6	all	<i>Insurers</i>	insurers
7	all	<i>insurers (other than as part of captive insurers)</i>	insurers
8	all	<i>Insurer's</i>	insurer's
9	all	<i>insurer's</i>	insurer's
10	all	<i>Long Term Insurance Business</i>	long term insurance business
11	all	<i>long term insurance business</i>	long term insurance business
12	all	<i>Long Term Insurance Contracts</i>	long term insurance contracts
13	all	<i>Owners' Equity</i>	Owners' equity

14	all	<i>Takaful Business</i>	takaful business
15	all	<i>Takaful Entity</i>	takaful entity
16	all	<i>Takaful Entity's</i>	takaful entity's
17	all	<i>Takaful Entities</i>	takaful entities
18	all	<i>Takaful Fund</i>	takaful fund
19	all	<i>Takaful Funds</i>	takaful funds
20	all	<i>takaful fund</i>	takaful fund

Explanatory note

This amendment removes unnecessary italics and capitals for terms that are now defined in the glossary to PINS.