



Circular No. 2 of 2018

Date: 24th October, 2018

Notification of Sales of Shares of Listed Insurance Companies

The Financial Services Authority (“FSA”) would like to draw the attention of **Domestic Insurers** to **Section 27** of the Insurance Act, 2008;

“No person shall without the approval of the Authority, acquire or hold such number of shares in an insurer so as to make that person a significant shareholder in that insurer”

In line with the above, the Authority acknowledges the fact that any information pertaining to the sale or acquisition of shares can only be provided to the Authority after the sale or acquisition has been completed. In view of this practical limitation, all licensees will be granted a period of **21 working days**, after the conclusion of sale, to submit all required information.

Kindly note that if the above is not observed, the Authority has the necessary powers pursuant to section 29(1) of the Act to require an insurer to furnish to it, in such form, manner and medium as it may specify, with particulars and information concerning-

- (a) Its shareholders
- (b) The nominee of a shareholder
- (c) Any person according to whose instructions and directions a shareholder normally exercise its rights as such.

Furthermore, licensees should note that the Insurance Act, 2008 and the Securities Act, 2007 are two separate legislations and hence, do not supersede each other. Thus, any entity who is conducting business under either or both legislations are required to provide formal notifications as required under the respective law.

Licensees are reminded that non-compliance with the filing requirement under section 27 is a punishable offence under section 119 of the Act.

Financial Services Authority